

**Pasqua First Nation
Consolidated Financial Statements
March 31, 2022**

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March 31, 2022

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Pasqua First Nation
Management's Responsibility for Financial Reporting
March 31, 2022

To the Members of Pasqua First Nation:

The accompanying consolidated financial statements of Pasqua 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 Pasqua First Nation:

Signature on file

Pasqua First Nation

May 2, 2023

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
Pasqua First Nation

Opinion

We have audited the consolidated financial statements of Pasqua First Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and the results of its consolidated operations, its consolidated accumulated surplus, its changes in its consolidated net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

We also:

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.
- ◆ 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
May 8, 2023**

Chalupiak & Associates
Chartered Professional Accountants

Pasqua First Nation
Consolidated Statement of Financial Position
March 31, 2022

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Financial Assets | | |
| Cash and cash equivalents (Note 3) | \$ 6,220,044 | \$ 615,540 |
| Restricted cash - capital projects (Note 3) | 8,579,437 | 19,748 |
| Restricted cash - CMHC reserves (Note 3) | 907,324 | 894,739 |
| Trust funds held by federal government (Notes 3 and 4) | 321,522 | 45,012 |
| Accounts receivable (Notes 5 and 6) | 1,551,235 | 1,645,003 |
| Due from related parties (Note 7) | 815,124 | 2,031,512 |
| Portfolio investments (Note 8) | 71,319 | 71,319 |
| Long-term investments (Note 9) | 8,701,169 | 6,214,554 |
| Investment in government business enterprises (Note 10) | - | - |
| | <u>27,167,174</u> | <u>11,537,427</u> |

Liabilities

| | | |
|---|-------------------|-------------------|
| Bank indebtedness (Notes 3 and 11) | - | 2,251,899 |
| Accounts payable (Note 12) | 2,984,921 | 3,128,973 |
| Deferred revenue (Notes 13 and 14) | 28,159,764 | 9,033,942 |
| Current portion of long-term debt (Note 15) | 312,487 | 1,901,556 |
| Current portion of CMHC mortgages (Note 16) | 672,146 | 640,885 |
| Long-term debt (Note 15) | 6,604,257 | 4,869,046 |
| CMHC mortgages (Note 16) | 7,231,015 | 7,924,463 |
| | <u>45,964,590</u> | <u>29,750,764</u> |

| | | |
|-----------------|---------------------|---------------------|
| Net debt | <u>(18,797,416)</u> | <u>(18,213,337)</u> |
|-----------------|---------------------|---------------------|

Non-financial Assets

| | | |
|-----------------------------------|-------------------|-------------------|
| Tangible capital assets (Note 17) | 63,230,834 | 53,353,976 |
| Prepaid expenses (Note 18) | 164,831 | 414,597 |
| Inventory (Note 19) | 936,656 | 727,740 |
| | <u>64,332,321</u> | <u>54,496,313</u> |

| | | |
|--------------------------------------|----------------------|----------------------|
| Accumulated Surplus (Note 20) | <u>\$ 45,534,905</u> | <u>\$ 36,282,976</u> |
|--------------------------------------|----------------------|----------------------|

Approved on behalf of the Pasqua First Nation:

Signature on file _____

Signature on file _____

The accompanying notes are an integral part of the financial statements

Pasqua First Nation
Consolidated Statement of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|--|-------------------------------|----------------|----------------|
| Revenue | | | |
| Indigenous Services Canada (ISC) | \$ 17,445,161 | \$ 12,341,027 | \$ 12,551,898 |
| ISC - First Nations & Inuit Health Branch (FNIHB) | 963,372 | 11,027,096 | 8,832,901 |
| Trust funds held by federal government | - | 276,510 | 142,135 |
| Canada Mortgage and Housing Corporation (CMHC) | - | 9,938,976 | 916,200 |
| First Nations Trust (FNT) | 102,470 | 409,882 | 527,168 |
| Pasqua Legacy Trust - annual income | - | 2,379,297 | 4,189,000 |
| Pasqua TLE Holdings Inc - annual income | - | 177,097 | 205,816 |
| Pasqua TLE - annual income | - | 24,310 | 19,039 |
| SITAG - Labour Force Development | 244,711 | 244,710 | 189,227 |
| SIIT | - | - | 43,499 |
| Touchwood Child & Family Services | 279,415 | 286,415 | 27,500 |
| CIBC 1906 Land Claim loan proceeds | 3,239,635 | 19,079,633 | 2,270,148 |
| FHQ Tribal Council | 665,213 | 615,185 | 546,219 |
| Paskwa Pit Stop (sales less cost of sales) | - | 388,444 | 439,578 |
| Paskwa Pit Stop - other revenue | - | 9,708 | 14,509 |
| CDC revenue | 16,387 | 24,266 | 34,980 |
| Investment income - PHT Business Trust | - | 26,296 | - |
| CMHC - rental income | - | 289,835 | 273,392 |
| Interest earned | - | 15,242 | 19,890 |
| Keseechiwan Holdings LP | - | 60,000 | 60,000 |
| Other revenue | 7,739,742 | 1,153,846 | 664,095 |
| Manufacturing sales (Pro Metal Industries Inc.) | - | 11,172,017 | 11,534,123 |
| Other production revenue (Pro Metal Industries Inc.) | - | 158,791 | 5,245 |
| Land lease revenues (PFN Land acquisition LP) | - | 103,178 | 103,178 |
| Investment income (PFN Group of Companies LP & Inc.) | - | 443,788 | 212,046 |
| Tire sales and installation (PFN GOC LP) | - | 106,051 | 83,423 |
| Gain on disposal of investments | - | 2,504,152 | - |
| Gain on foreign exchange | - | 12,219 | - |
| Change in unrealized gain on investment | - | 25,870 | - |
| PHT Business Trust - annual income | - | 109,721 | - |
| Deferred revenue - prior year | 7,827,596 | 8,854,642 | 7,837,076 |
| Deferred revenue - current year | 110,441 | (28,159,764) | (9,033,942) |
| | 38,634,143 | 54,098,440 | 42,708,343 |

The accompanying notes are an integral part of the financial statements

Pasqua First Nation
Consolidated Statement of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|---|-------------------------------|---------------------|-----------------------|
| Expenses | | | |
| Treaties and Indigenous Government (Schedule 1) | - | 198,758 | 342,534 |
| Community Infrastructure (Schedule 2) | 10,569,156 | 2,258,016 | 2,159,112 |
| Economic Development (Schedule 3) | 151,342 | 433,337 | 85,122 |
| Education (Schedule 4) | 4,934,682 | 5,634,018 | 6,189,960 |
| Indigenous Government Support (Schedule 5) | 5,149,019 | 4,587,821 | 7,095,219 |
| Land Management (Schedule 6) | 132,611 | 91,685 | 134,875 |
| Social Development (Schedule 7) | 1,018,097 | 1,231,737 | 1,242,253 |
| Registration and Membership (Schedule 8) | 19,085 | 19,085 | 18,930 |
| Health Services (Schedule 9) | 1,026,779 | 10,554,411 | 6,221,099 |
| CMHC Operations (Schedule 10) | - | 1,453,587 | 1,042,204 |
| Band Projects (Schedule 11) | 8,071,047 | 20,974,344 | 24,609,548 |
| | 31,071,818 | 47,436,799 | 49,140,856 |
| Current surplus (deficit) | \$ 7,562,325 | \$ 6,661,641 | \$ (6,432,514) |

The accompanying notes are an integral part of the financial statements

Pasqua First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2022

| | 2022 | 2021 |
|-------------------------------------|---------------|---------------|
| Surplus at beginning of year | \$ 36,282,976 | \$ 42,715,490 |
| Current surplus (deficit) | 6,661,641 | (6,432,514) |
| Capital contribution | 2,590,279 | - |
| Surplus at end of year | \$ 45,534,896 | \$ 36,282,976 |

The accompanying notes are an integral part of the financial statements

Pasqua First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|--|-------------------------------|-----------------|-----------------|
| Current surplus (deficit) | \$ 7,562,325 | \$ 6,661,641 | \$ (6,432,514) |
| Acquisition of tangible capital assets | - | (12,531,585) | (6,898,804) |
| Depreciation of tangible capital assets | - | 2,565,938 | 2,411,866 |
| Depreciation - PFN GOC LP included in cost of goods sold | - | 88,798 | 146,044 |
| | - | (9,876,849) | (4,340,894) |
| Acquisition of prepaid asset | - | (164,831) | (414,597) |
| Use of prepaid asset | - | 414,597 | 191,973 |
| | - | 249,766 | (222,624) |
| Acquisition of inventory | - | (936,656) | (727,740) |
| Use of inventory | - | 727,740 | 475,675 |
| | - | (208,916) | (252,065) |
| Capital contribution - Pasqua Business Trust | - | 2,590,279 | - |
| Increase (decrease) in net financial assets | 7,562,325 | (584,079) | (11,248,097) |
| Net debt at beginning of year | (18,213,337) | (18,213,337) | (6,965,240) |
| Net debt at end of year | \$ (10,651,012) | \$ (18,797,416) | \$ (18,213,337) |

The accompanying notes are an integral part of the financial statements

Pasqua First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

| | 2022 | 2021 |
|---|---------------|----------------|
| Cash flows from | | |
| Operating activities | | |
| Current surplus (deficit) | \$ 6,661,641 | \$ (6,432,514) |
| Items not affecting cash | | |
| Depreciation - Band | 2,565,938 | 2,411,866 |
| Depreciation - GOC LP included in cost of goods sold | 88,798 | 146,044 |
| Pasqua Business Trust - change in unrealized gain on investment | (25,870) | - |
| | 9,290,507 | (3,874,604) |
| Change in non-cash operating working capital | | |
| Accounts receivable | 93,768 | (439,363) |
| Inventory | (208,916) | (252,065) |
| Prepaid expenses | 249,766 | (222,624) |
| Accounts payable | (144,042) | (157,760) |
| Deferred revenue | 19,125,822 | 1,196,866 |
| | 28,406,905 | (3,749,550) |
| Capital activities | | |
| Acquisition of capital assets | (12,531,595) | (6,898,804) |
| Financing activities | | |
| Due from related entities | 1,216,388 | 5,729,391 |
| Long-term debt - repayment | (6,605,011) | (306,000) |
| Advances of long-term debt | 6,751,153 | - |
| CMHC mortgages - repayment | (662,187) | (632,480) |
| CMHC mortgages - proceeds | - | 529,490 |
| | 700,343 | 5,320,401 |
| Investing activities | | |
| Trust funds held by federal government | (276,510) | 17,865 |
| Restricted cash - CMHC reserves | (12,585) | (19,623) |
| Other long term investments | - | 1,698,115 |
| Purchase of investment through Pasqua Business Trust | (2,660,745) | - |
| Purchase of investment shares | (4,800,000) | - |
| Proceeds from sale of investment shares | 7,445,000 | - |
| Gain on sale of investment | (2,445,000) | - |
| Capital contribution - Pasqua Business Trust | 2,590,279 | - |
| | (159,561) | 1,696,357 |
| Increase (decrease) in cash and cash equivalents | 16,416,092 | (3,631,596) |
| (Bank indebtedness) cash and cash equivalents, beginning of year | (1,616,611) | 2,014,985 |
| Cash and cash equivalents (bank indebtedness), end of year | \$ 14,799,481 | \$ (1,616,611) |

The accompanying notes are an integral part of the financial statements

Pasqua First Nation
Consolidated Statement of Cash Flows, continued
For the year ended March 31, 2022

| | 2022 | 2021 |
|------------------------------------|----------------------|-----------------------|
| Represented by | | |
| Cash | \$ 6,220,044 | \$ 615,540 |
| Bank indebtedness | - | (2,251,899) |
| Restricted cash - capital projects | 8,579,437 | 19,748 |
| | <u>\$ 14,799,481</u> | <u>\$ (1,616,611)</u> |

The accompanying notes are an integral part of the financial statements

Pasqua First Nation
Notes to Consolidated Financial Statements
March 31, 2022

1. Operations

The Pasqua First Nation ("the First Nation") is a First Nation band located in the province of Saskatchewan and provides various services to its members. These financial statements include the Pasqua First Nation's government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. These financial statements do not include the Treaty Land Entitlement (TLE) Trust or the Pasqua First Nation Legacy Trust; separate audited financial statements are prepared for these Trusts.

The band office of the First Nation is physically located on Pasqua I.R. 79 and their mailing address is P.O. Box 79, Pasqua, Saskatchewan, S0G 5M0, 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 Pasqua First Nation reporting entity includes the Pasqua First Nation government and all related entities that are controlled by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Pasqua First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Pasqua First Nation.

Organizations consolidated in Pasqua First Nation's financial statements include:

- Paskwa Pit Stop;
- PFN Group of Companies Limited Partnership (includes consolidation of Pro Metal Industries Ltd.);
- PFN Group of Companies Inc.

Organizations accounted for on a modified equity basis include:

- Pasqua TLE Holdings Inc. (100% owned by Pasqua First Nation)

(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.

2. Basis of presentation and significant accounting policies, continued

(d) Net debt

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

(e) Basis of presentation

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

(f) 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 subject to restrictions that prevent its use for current purposes is included in restricted cash.

(g) Restricted cash

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash consists of capital projects funding held by the project manager, funds held by legal council and funds held in the CMHC reserve bank accounts.

(h) Inventory

Inventory is valued at the lower of cost and estimated net realizable value. Cost is determined by the first-in, first out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

(i) 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, 2022. No contaminated sites have been identified as at March 31, 2022.

2. Basis of presentation and significant accounting policies, continued

(j) 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 Pasqua First Nation's incremental cost of borrowing.

Depreciation is provided for on a straight-line basis over their estimated useful lives (except for PFN Group of Companies Limited Partnership who used a combination of straight-line and declining balance). Depreciation of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

| | |
|-----------------|---------------------------|
| Buildings | 5-40 years Straight line |
| Vehicles | 3-5 years Straight line |
| Equipment | 3-5 years Straight line |
| Infrastructure | 10-40 years Straight line |
| Roads | 40 years Straight line |
| CMHC - houses | 25 years Straight line |
| Band houses | 20 years Straight line |
| Paskwa Pit Stop | 2-25 years Straight line |

Tangible capital assets are written down when conditions indicate that they no longer contribute to Pasqua 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.

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

(k) Portfolio investments

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

2. Basis of presentation and significant accounting policies, continued

(l) 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.

(m) Use of estimates

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

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

(n) Segment accounting

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

For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

(o) Internal charges and transfers

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

2. Basis of presentation and significant accounting policies, continued

(p) 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 all 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 being performed is deferred and recognized when the fee is earned or the service is performed.

Revenue from sales and services is recognized when the significant risks and rewards of ownership are transferred to the customer, which generally coincides with the time of shipment, collectability is reasonably assured, persuasive evidence of an arrangement exists and the sales price is fixed and determinable. Revenue is recorded net of allowable discounts and rebates.

Revenues from investment income are recognized when received. Revenues from tire sales and installation services is recognized when the significant risk and rewards of ownership of the goods have been transferred to the buyer, usually upon receipt of payment or a verified purchase order.

Rental income and lease revenues are recognized over the rental term. Other revenues from services provided by the First Nation are recognized when the services have been provided. Interest revenue is recognized on an accrual basis.

Pasqua First Nation
Notes to Consolidated Financial Statements
March 31, 2022

3. Cash and cash equivalents

This note is comprised of the following:

Unrestricted cash - bank accounts used to facilitate day to day normal operations.

Restricted cash - capital projects - 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 reserves - Under the terms of an agreement with Canada Mortgage and Housing Corporation, Pasqua 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 Pasqua First Nation.

| | 2022 | 2021 |
|--|---------------|--------------|
| Unrestricted cash | | |
| General operations | \$ 6,220,044 | \$ 615,540 |
| Bank indebtedness | | |
| General operations | - | (2,251,899) |
| Restricted cash - capital projects | | |
| Capital projects | 8,579,437 | 19,748 |
| Restricted cash - CMHC reserves | | |
| CMHC Replacement Reserve | 882,035 | 871,774 |
| CMHC Operating Reserve | 25,289 | 22,965 |
| | 907,324 | 894,739 |
| Trust funds held by the federal government | | |
| Capital funds | 11,545 | 11,545 |
| Revenue funds | 309,977 | 33,467 |
| | 321,522 | 45,012 |
| | \$ 16,028,327 | \$ (676,860) |

Pasqua First Nation
Notes to Consolidated Financial Statements
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4. Trust funds held by federal government

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

| | 2022 | | 2021 | |
|-----------------------------|------|---------|------|--------|
| Capital funds held in trust | \$ | 11,545 | \$ | 11,545 |
| Revenue funds held in trust | | 309,977 | | 33,467 |
| | \$ | 321,522 | \$ | 45,012 |

| | 2022 | | 2021 | |
|----------------------------|------------|-----------|------------|-----------|
| | Revenue | Capital | Total | Total |
| Surplus, beginning of year | \$ 33,467 | \$ 11,545 | \$ 45,012 | \$ 62,877 |
| Withdrawals | - | - | - | (160,000) |
| Interest earnings | 3,908 | - | 3,908 | 1,029 |
| Land leases | 272,177 | - | 272,177 | 141,106 |
| Other | 425 | - | 425 | - |
| Surplus, end of year | \$ 309,977 | \$ 11,545 | \$ 321,522 | \$ 45,012 |

Pasqua First Nation
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5. Accounts receivable

| | 2022 | 2021 |
|---|--------------------------|--------------------------|
| Due from members | | |
| Staff/member advances and loans | \$ 52,882 | \$ 35,117 |
| CMHC Rent | 14,103 | - |
| | <hr/> 66,985 | <hr/> 35,117 |
| Due from others | | |
| PFN Group of Companies (net of allowance) | 1,066,374 | 880,571 |
| Paskwa Pit Stop (net of allowance) | 72,399 | 61,525 |
| Keseechiwan Holdings Inc. | 60,000 | 60,000 |
| FHQ Tribal Council | 176,266 | 132,022 |
| Other receivables | 98,015 | 69,996 |
| | <hr/> 1,473,054 | <hr/> 1,204,114 |
| Due from government and other government organizations | | |
| Indigenous Services Canada (ISC) | - | 390,657 |
| CMHC - subsidy | 68,436 | 68,433 |
| GST | 39,329 | 34,000 |
| | <hr/> 107,765 | <hr/> 493,090 |
| | 1,647,804 | 1,732,321 |
| Allowance for doubtful accounts | <hr/> (96,569) | <hr/> (87,318) |
| Total accounts receivable | <hr/> <hr/> \$ 1,551,235 | <hr/> <hr/> \$ 1,645,003 |

6. Accounts receivable - ISC

| | 2022 | 2021 |
|---------------|------------|------------------|
| Wastewater | \$ - | \$ 183,585 |
| Water | - | 87,072 |
| Food security | - | 120,000 |
| | <hr/> \$ - | <hr/> \$ 390,657 |

Pasqua First Nation
Notes to Consolidated Financial Statements
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7. Due from related parties

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

Amounts due from related parties are unsecured, non-interest bearing and have no fixed repayment schedules.

| | 2022 | 2021 |
|--|-------------------|---------------------|
| Pasqua TLE Holdings Inc. | \$ 738,252 | \$ 365,293 |
| PFN Group of Companies Limited Partnership | 42,150 | 1,629,375 |
| Pasqua TLE Trust | 24,310 | 19,039 |
| Pasqua TLE Revenue | 10,412 | 17,805 |
| | <u>\$ 815,124</u> | <u>\$ 2,031,512</u> |

8. Portfolio investments

| | 2022 | 2021 |
|---|------------------|------------------|
| Kinookimaw Beach Association | \$ 579 | \$ 579 |
| TIP-IMI Brokerage Company Ltd. (4.5% ownership) | 9,800 | 9,800 |
| First Nations Bank | 940 | 940 |
| Keseechiwan Holdings LP (8.3% ownership) | 60,000 | 60,000 |
| | <u>\$ 71,319</u> | <u>\$ 71,319</u> |

The First Nation has a 8.3% interest in FHQTC Developments LP. The First Nation's equity at the end of March 31, 2022 is \$419,649 (2021 - \$439,926).

9. Long-term investments

| | 2022 | 2021 |
|---|---------------------|---------------------|
| Atlas Biotechnologies Inc. - 3,400,000 non-voting shares (2021 - 200,000) | \$ 6,000,000 | \$ 1,200,000 |
| 11046896 Canada Inc. (2021 - 51% shares, non-voting) | - | 5,000,000 |
| Other investments | 14,554 | 14,554 |
| Pasqua Business Trust - Fixed income securities | 642,440 | - |
| Pasqua Business Trust - Mutual funds | 257,909 | - |
| Pasqua Business Trust - Canadian equities | 811,538 | - |
| Pasqua Business Trust - US equities | 974,728 | - |
| | <u>\$ 8,701,169</u> | <u>\$ 6,214,554</u> |

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10. Investment in government business enterprises - summary of activity

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

Pasqua TLE Holdings Inc. met the definition of the government business enterprise and is recorded on a modified equity basis. On an annual basis, Pasqua TLE Holdings Inc. transfers all surpluses to the Pasqua TLE revenue account (per the Pasqua TLE agreement) which results in no net income (loss) in the Pasqua TLE Holdings Inc. Therefore, there was no equity pickup amount from the Pasqua TLE Holdings Inc.

The financial summary of the activities of the Pasqua TLE Holdings Inc. is as follows:

| | Pasqua TLE Holdings Inc. As at December 31, 2021 | Pasqua TLE Holdings Inc. As at December 31, 2020 |
|--------------------------------------|--|--|
| Cash | \$ 565,777 | \$ 400,910 |
| Accounts receivable | 5,111 | 4,373 |
| Property, plant and equipment - Land | 190,845 | 190,845 |
| Total assets | \$ 761,733 | \$ 596,128 |

| | | |
|-------------------------------------|-------------------|-------------------|
| Accounts payable | \$ 19,107 | \$ 39,990 |
| Due to related parties | 742,626 | 556,138 |
| Total liabilities and equity | \$ 761,733 | \$ 596,128 |

| | Pasqua TLE Holdings Inc. As at December 31, 2021 | Pasqua TLE Holdings Inc. As at December 31, 2020 |
|-------------------|--|--|
| Revenue | \$ 204,066 | \$ 272,148 |
| Expenses | 204,066 | 272,148 |
| Net income | \$ - | \$ - |

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11. Bank indebtedness

On March 31, 2022 the First Nation has two lines of credit with Peace Hills Trust as follows:

General operations - Line of credit limit of \$100,000 at a rate of prime plus 2% and an overdraft limit of \$150,000 at an annual interest rate of 24%. The bank balance as at March 31, 2022 is overdrawn by \$nil (2021 - \$284,730).

Payroll advances- Line of credit of \$20,000 at a rate of 8%. The bank balance as at March 31, 2022 is overdrawn by \$1,083 (2021 - \$nil).

12. Accounts payable

| | 2022 | 2021 |
|--|---------------------|---------------------|
| General operations | \$ 1,868,067 | \$ 2,035,681 |
| Trade payables - Pasqua Group of Companies LP & Inc. | 809,530 | 778,937 |
| Trade payables - Pasqua Business Trust | 9,205 | - |
| Trade payables - Paskwa Pit Stop | 24,110 | 91,685 |
| Indigenous Services Canada | - | 23,195 |
| Canada Revenue Agency | 40,622 | 41,588 |
| Pension | 128,101 | 63,110 |
| Rent payable to CMHC department | 5,070 | 5,070 |
| Accrued interest on all long-term debt | 100,216 | 89,707 |
| | <u>\$ 2,984,921</u> | <u>\$ 3,128,973</u> |

13. Deferred revenue - 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" on the financial statements.

| | 2022 | 2021 |
|---|-----------|-----------|
| 1910 Railway Claim | \$ 4,318 | \$ 4,318 |
| Sanitation | - | 129,044 |
| Water | 322,018 | 158,349 |
| Community buildings | 9,370 | - |
| Electrical systems - O&M | 16,153 | - |
| Capacity development | 33,342 | 33,342 |
| Capacity development (Community infrastructure) | 87,024 | 87,024 |
| Lagoon expansion | 1,592,257 | 1,658,278 |
| Subdivision expansion | 1,401,925 | 1,251,925 |
| A&C water new backup well | 49,916 | 132,143 |
| High school addition | 317,363 | - |
| PFN school expansion | 20,000 | 20,000 |
| Fire protection | 700,000 | 200,000 |

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13. Deferred revenue - ISC, continued

| | 2022 | 2021 |
|---|---------------------|---------------------|
| COVID-19 - LEDSP | - | 124,984 |
| Buffalo Grasslands | - | 26,500 |
| COVID-19 - Post secondary emergency | - | 166,672 |
| Structural readiness | 136,229 | 137,629 |
| Jordans Principle - Allied services | 39,148 | 42,073 |
| FN school formula | 744,597 | 334,029 |
| Second level services | 650,445 | 408,094 |
| Skills link | 60,877 | - |
| FN School Protection 2nd Level | 80,851 | - |
| Summer students | - | 8,587 |
| P&ID - Financial management | 61,441 | 18,941 |
| P&ID - HR management | 30,000 | 30,000 |
| Community development | - | 14,590 |
| Community safety plan | 7,136 | 7,136 |
| Capacity development risk management | 42,500 | 42,500 |
| P&ID - Financial capacity 10 year grant readiness | 50,000 | 50,000 |
| Community involvement | 63,750 | 63,750 |
| Needs assessment - emergency preparedness | - | 3,423 |
| Membership governance capacity | 15,000 | - |
| CORP - Group restructuring | 50,500 | - |
| CORP - Pit Stop marketing | 8,153 | - |
| Preparedness/mitigation | 38,720 | - |
| RLEMP | 27,858 | 46,673 |
| Basic needs | 28,893 | 81,704 |
| Basic needs - COVID-19 | 367,609 | 96,562 |
| Special needs | 2,503 | 33,159 |
| Special needs - COVID-19 | - | 46,858 |
| Assisted living | 41,397 | - |
| Employment & training | 12,622 | 143,573 |
| Prevention | 262,068 | 310,456 |
| Mental health | 36,953 | 37,457 |
| FASD | 8,028 | - |
| COHI | 10,494 | 4,083 |
| Prenatal | 11,237 | 6,581 |
| Community health rep | 193,391 | 49,508 |
| CDCM public health | 900,975 | - |
| Mental health | 16,974 | 50,000 |
| Support services | 7,918 | 8,136 |
| Communicable disease - HIV / AIDS | 1,824 | - |
| Telehealth deployment | - | 5,310 |
| Health capital investments | 941,469 | 926,649 |
| CCC supplies & equipment | - | 213,082 |
| | \$ 9,505,246 | \$ 7,213,122 |

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Notes to Consolidated Financial Statements
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14. Deferred revenue - unexpended funds - non-ISC

| | 2022 | 2021 |
|---|----------------------|---------------------|
| Elders centre construction project | \$ 2,051,931 | \$ 622,963 |
| High school construction project | 135,715 | 179,000 |
| CMHC - Rapid housing initiative program | 8,844,267 | - |
| Other band revenue - Land purchase | 4,500,000 | - |
| Head start | 399,157 | 232,128 |
| Daycare | 92,717 | 82,638 |
| PFN core area playground | 40,000 | - |
| Pasqua Group of Companies Limited Partnership | 2,590,731 | 704,091 |
| | <u>\$ 18,654,518</u> | <u>\$ 1,820,820</u> |

15. Long-term debt

| | 2022 | 2021 |
|---|---------|------------|
| PHT Loan #41 - TLE litigation, Child & Family Welfare Services and Fort Qu'Appelle Hospital Lands Term Loan - bearing interest at 5.00%, monthly interest payments, principle due upon maturity, maturing April 1, 2021, secured by assignment of First Nations Trust, ISC and assets of Paskwa Pit Stop. | \$ - | \$ 500,000 |
| PHT Loan #42 - Post Secondary Term Loan - bearing interest at 5.00%, monthly interest payments, principle due upon maturity, maturing April 1, 2021, secured by assignment of First Nations Trust, ISC and assets of Paskwa Pit Stop. | - | 300,000 |
| RBC demand loan bearing interest at 5.99% per annum, repayable in monthly blended payments of \$530, matures in September 30, 2021. | - | 3,128 |
| PNC Equipment Finance - obligation under finance lease for the 2019 Doosan G25N-7 lift truck - bearing interest at 5.16% per annum, monthly lease payments of \$545 maturing August 31, 2025. | 22,697 | 27,912 |
| RCAP leasing - obligation under finance lease for the Gibbs CAM 2.5D Solids Milling and Tuning Packages - bearing interest at 12.72% per annum, monthly lease payments of \$626 maturing June 30, 2023. | 11,214 | 16,902 |
| Peace Hills Trust term loan - capital asset loan - bearing interest at 5.50%, monthly blended payments of \$15,285, maturing May 1, 2022, secured by general security agreement. | 101,680 | 274,313 |

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15. Long-term debt, continued

| | 2022 | 2021 |
|---|--------------|--------------|
| Canada Emergency Business Account (CEBA) loan, interest free until December 31, 2022 with no fixed repayment schedule. If the loan is paid back by December 31, 2022, \$10,000 of the loan will be forgiven. If the loan is not paid back by December 31, 2022 the full \$40,000 loan will become repayable over three years with a 5% interest rate. | 30,000 | 40,000 |
| PHT Loan #37 - Surrender Claim and Debt Consolidation Term Loan - bearing interest at prime plus 0%, monthly interest payments, principle due upon maturity, maturing April 1, 2021, secured by assignment of First Nations Trust, ISC and assets of Paskwa Pit Stop. | - | 674,203 |
| PHT Loan #39 - Bridge legal costs regarding TLE litigation - bearing interest at prime plus 0%, monthly interest payments and annual principle due upon maturity, maturing April 1, 2021, secured by assignment of First Nations Trust, ISC and assets of Paskwa Pit Stop. | - | 189,935 |
| PHT Loan #46 - Band hall renovations, ratification costs, share purchase, Pow Wow arbour repairs - bearing interest at 6.0%, quarterly blended payments of \$120,000 maturing July 1, 2023, secured by assignment of First Nations Trust, ISC and band owned entities and assets. | - | 4,744,209 |
| PHT Loan #47 - Consolidation - bearing interest at 5.25%, quarterly principle and interest payments \$130,000, maturing April 1, 2023, amortized over 15 years, secured by assignment of First Nations Trust, ISC and assets of Paskwa Pit Stop as well as collateral assignment of GIC's. | 6,751,153 | - |
| | 6,916,744 | 6,770,602 |
| Less current portion | 312,487 | 1,901,556 |
| | \$ 6,604,257 | \$ 4,869,046 |

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

| | |
|---------------------|--------------|
| 2023 | \$ 312,487 |
| 2024 | 189,445 |
| 2025 | 193,962 |
| 2026 | 202,864 |
| 2026 | 208,025 |
| 2027 and thereafter | 5,809,961 |
| | \$ 6,916,744 |

Pasqua First Nation
Notes to Consolidated Financial Statements
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16. CMHC mortgages

| | Phase number | Renewal date | Interest rate | Monthly payment | 2022 | 2021 |
|----------------------|-----------------|-----------------|------------------|--------------------|---------------------|---------------------|
| CMHC | 6 | 6/1/2025 | 0.68% | \$ 1,597 | \$ 61,567 | \$ 80,241 |
| CMHC | 7 | 9/1/2022 | 1.84% | 1,003 | 62,001 | 72,791 |
| CMHC | 8 | 4/1/2023 | 2.41% | 1,115 | 73,765 | 85,231 |
| CMHC | 9 | 3/1/2026 | 0.96% | 1,239 | 112,134 | 125,853 |
| CMHC | 10 | 3/1/2026 | 1.13% | 3,686 | 172,897 | 214,915 |
| CMHC | 11 | 6/1/2026 | 1.13% | 5,333 | 566,675 | 623,922 |
| CMHC | 12 | 6/1/2022 | 1.30% | 1,787 | 205,719 | 224,364 |
| CMHC | 13 | 6/1/2022 | 1.30% | 3,575 | 411,512 | 448,810 |
| CMHC | 14 | 1/1/2024 | 2.22% | 8,651 | 1,452,111 | 1,522,981 |
| CMHC | 15 | 3/1/2025 | 1.72% | 1,027 | 185,463 | 194,525 |
| CMHC | 16 | 5/1/2026 | 1.22% | 9,317 | 969,258 | 1,068,610 |
| CMHC | 17 | 5/1/2026 | 1.22% | 5,404 | 562,214 | 619,842 |
| CMHC | 18 | 6/1/2026 | 1.13% | 1,384 | 145,843 | 160,716 |
| CMHC | 19 | 3/1/2023 | 2.39% | 10,571 | 1,226,703 | 1,323,120 |
| CMHC | 20 | 10/1/2023 | 2.68% | 3,913 | 467,460 | 501,459 |
| CMHC | 21 | 10/1/2023 | 2.68% | 3,147 | 375,992 | 403,338 |
| CMHC | 22 | 3/1/2025 | 1.72% | 2,446 | 341,862 | 365,140 |
| CMHC | 23 | 3/1/2026 | 0.96% | 1,903 | 299,117 | 318,622 |
| CMHC advance | 24 | | | | 210,868 | 210,868 |
| | | | | | 7,903,161 | 8,565,348 |
| Less current portion | | | | | 672,146 | 640,885 |
| | | | | | <u>\$ 7,231,015</u> | <u>\$ 7,924,463</u> |

Pasqua First Nation
Notes to Consolidated Financial Statements
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17. Tangible capital assets

| | Cost | Additions | Accumulated depreciation | 2022 Net book value |
|---------------------------|----------------------|----------------------|--------------------------|------------------------|
| Land | \$ 17,588,461 | \$ - | \$ - | \$ 17,588,461 |
| Buildings | 17,397,868 | 1,183,266 | 8,881,329 | 9,699,805 |
| Vehicles | 1,128,518 | 556,312 | 1,090,263 | 594,568 |
| Equipment | 6,972,258 | 493,788 | 6,034,969 | 1,431,076 |
| Infrastructure | 3,932,968 | 1,325,084 | 1,796,354 | 3,461,697 |
| Roads | 3,594,117 | - | 629,556 | 2,964,561 |
| Leasehold improvements | 973,586 | 26,640 | 810,807 | 189,419 |
| CMHC - houses | 15,048,247 | 387,961 | 6,710,138 | 8,726,070 |
| Band houses | 10,224,556 | - | 9,780,412 | 444,143 |
| Paskwa Pit Stop | 638,562 | - | 562,976 | 75,586 |
| Assets Under Construction | 9,496,902 | 8,558,544 | - | 18,055,446 |
| | <u>\$ 86,996,043</u> | <u>\$ 12,531,595</u> | <u>\$ 36,296,804</u> | <u>\$ 63,230,832</u> |

| | Cost | Additions | Accumulated depreciation | 2021 Net book value |
|---------------------------|----------------------|---------------------|--------------------------|------------------------|
| Land | \$ 17,588,461 | \$ - | \$ - | \$ 17,588,461 |
| Buildings | 17,212,868 | 185,000 | 8,140,071 | 9,257,797 |
| Vehicles | 1,079,223 | 49,295 | 996,843 | 131,675 |
| Equipment | 6,784,879 | 187,379 | 5,325,895 | 1,646,362 |
| Infrastructure | 3,932,968 | - | 1,649,598 | 2,283,369 |
| Roads | 3,594,117 | - | 539,703 | 3,054,414 |
| Leasehold improvements | 973,586 | - | 737,938 | 235,648 |
| CMHC - houses | 15,048,247 | - | 6,127,291 | 8,920,956 |
| Band houses | 10,224,556 | - | 9,584,329 | 640,227 |
| Paskwa Pit Stop | 596,893 | 41,668 | 540,399 | 98,162 |
| Assets Under Construction | 3,061,440 | 6,435,462 | - | 9,496,902 |
| | <u>\$ 80,097,238</u> | <u>\$ 6,898,804</u> | <u>\$ 33,642,067</u> | <u>\$ 53,353,973</u> |

18. Prepaid expenses

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Post secondary living allowance | \$ 81,359 | \$ 120,050 |
| Pasqua Group of Companies Limited Partnership - insurance | 72,709 | 84,067 |
| Pasqua Group of Companies Limited Partnership - deposit | - | 203,285 |
| Paskwa Pit Stop - insurance | 10,763 | 7,195 |
| | <u>\$ 164,831</u> | <u>\$ 414,597</u> |

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19. Inventory

| | 2022 | 2021 |
|--|-------------------|-------------------|
| <u>Paskwa Pit Stop</u> | | |
| Fuel | \$ 62,120 | \$ 38,173 |
| Cigarettes and tobacco | 33,116 | 20,366 |
| Other | 63,265 | 24,266 |
| <u>PFN Group of Companies Limited Partnership</u> | | |
| Raw materials | 588,736 | 567,126 |
| Work in process | 173,166 | 68,515 |
| Tires | 16,253 | 9,294 |
| | <u>\$ 936,656</u> | <u>\$ 727,740</u> |

20. Accumulated surplus

| | 2022 | 2021 |
|--|----------------------|----------------------|
| Restricted | | |
| Invested in tangible capital assets | \$ 55,192,082 | \$ 44,466,373 |
| Trust funds held by federal government | 321,522 | 45,012 |
| Portfolio investments | 71,319 | 71,319 |
| Long-term investments | 8,701,169 | 6,214,554 |
| CMHC reserves | 907,324 | 894,738 |
| Unrestricted | | |
| Operating deficit) | (19,658,511) | (15,409,020) |
| | <u>\$ 45,534,905</u> | <u>\$ 36,282,976</u> |

Capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services.

Long-term investments represent the carrying value of Atlas Biotechnologies Inc. and other investments.

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

CMHC reserves are replacement and operating reserves required to be funded for future housing replacements, as per agreements with CMHC.

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

Operating surplus (deficit) represents future revenue required for past operational activities.

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21. ISC contributions

| | 2022 | 2021 |
|---------------------------------|----------------------|----------------------|
| ISC revenue per agreement | \$ 23,368,123 | \$ 21,374,861 |
| Prior period revenue (recovery) | | |
| Band employee benefits | - | 9,938 |
| | <u>\$ 23,368,123</u> | <u>\$ 21,384,799</u> |

22. Contingent liabilities

Pasqua 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.

Pasqua First Nation has been sued by Atlantis Research Labs for breach of contract and other claims. The litigation is in its early stage, and Pasqua First Nation has also filed a counterclaim. The possible liability amount cannot be reasonably estimated at this point in time (there is no insurance that would cover the potential liability).

Pasqua First Nation has guaranteed the loan held by Pro Metal Industries Ltd. at Peace Hills Trust Bank of \$27,026, payable in monthly installments of \$15,285 at an interest rate of 5.5%, maturing date May 1, 2022

23. Contractual Obligations

The nature of Pasqua First Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

| | 2022 Monthly payments | 2021 Monthly payments |
|-----------------------------------|-----------------------------|-----------------------------|
| Finning CAT - Caterpillar 160M BR | \$ 4,424 | \$ 4,424 |
| RCAP Leasing | 180 | 180 |
| Sasktel | - | 464 |
| Wells Fargo | 1,585 | 1,585 |
| Xerox | - | 559 |
| | <u>\$ 6,189</u> | <u>\$ 7,212</u> |

24. CMHC reserves and restricted cash

The CMHC funding agreements require that the First Nation set aside cash in specially funded reserve bank accounts; as of March 31, 2022 the replacement reserve fund was underfunded by \$22,434 (2021 - underfunded) and the operating reserve fund was fully funded (2021 - fully funded).

25. Economic dependence

Pasqua First Nation receives a substantial amount of its funding from Indigenous Services Canada (ISC). The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

26. Employee benefit obligations

Vacation and overtime

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

Post-employment benefits

Pasqua First Nation does not provide extended health, dental and life insurance benefits to retired employees and therefore has no obligations with regards to post employment benefits.

Pension plan

Pasqua First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 9% of their salary up to a maximum of 10% of their basic salary. Pasqua First Nation contributes a matching portion which is directed to the member's contribution account. Pasqua First Nation does not have any other obligations with regards to the pension plan as at March 31, 2022.

27. Fair value

The fair value of the financial assets (except the investments), and current liabilities approximates their carrying value due to their short term nature. It is not practical to determine fair value for the investments with sufficient reliability because of the limited market for them. The fair value of the First Nation's long-term debt approximates cost due to either the short-term nature (either to term or to renewal) or has interest floating at market rates.

28. Interest rate risk

The First Nation is not exposed to significant interest rate risk on its monetary assets and current liabilities, due to their short term maturity. The First Nation is exposed to interest rate price risk on its long-term debt that has a fixed interest rate.

29. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The First Nation is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The First Nation's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable and investments. The First Nation provides credit to its clients in the normal course of its operations.

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30. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and derived from the estimates approved by Pasqua First Nation.

31. COVID-19

In early March 2020, the global outbreak of COVID-19 (coronavirus) 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.

32. Expenses by object

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|--|-------------------------------|----------------|----------------|
| Administration fees - internal allocation | \$ 28,820 | \$ - | \$ - |
| Assistance - band members | 858,045 | 860,777 | 465,794 |
| Assistance - social development | 503,331 | 617,188 | 692,308 |
| Bad debts (recovery) | - | 9,251 | 14,470 |
| Band development | - | 13,657 | 13,657 |
| Bank charges and supplier interest | 47,980 | 207,435 | 192,136 |
| CIBC Legacy Trust - loan repayment | - | 7,375,000 | - |
| COVID-19 expenses | 166,672 | 820,607 | 5,567,250 |
| Capital - equipment purchases | 6,384 | 6,657 | 3,849 |
| Capital transactions | 62,500 | 9,304,405 | 385,024 |
| Consultants and contractors | 13,477,106 | 14,635,387 | 12,183,058 |
| Contribution - PFN Group of Companies LP | - | (3,317,542) | 7,979,394 |
| Cost of goods sold | - | 7,400,709 | 9,297,069 |
| Cost share - allocated from other programs | - | - | 3,050 |
| Cultural programs | 1,459,358 | 1,425,876 | 1,063,484 |
| Depreciation | - | 2,565,938 | 2,411,866 |
| Fuel | 72,985 | 72,257 | 87,746 |
| Governance | 817,152 | 404,328 | 687,082 |
| Graduation, awards, prizes | 40,280 | 40,280 | 11,610 |
| Insurance | 133,887 | 373,693 | 266,450 |
| Investment management fees | - | 1,291 | - |
| Janitorial supplies | - | - | 760 |
| Last Mountain IR#80A claim expenses | - | 15,338 | 38,405 |
| Lease payments - equipment | - | 13,207 | - |
| Long-term debt - interest paid | 69,151 | 547,501 | 525,507 |
| Management Fees | - | 190,566 | 168,780 |
| Other expenses | 94,524 | 341,745 | 318,944 |
| PFN gravel purchases | 20,183 | 20,183 | 165,723 |
| Paskwa Pit Stop | - | 322,474 | 413,589 |
| Per capita distribution | - | 63,000 | 43,000 |

Pasqua First Nation
Notes to Consolidated Financial Statements
March 31, 2022

32. Expenses by object, continued

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|--|-------------------------------|----------------------|----------------------|
| Professional fees | 625,370 | 950,097 | 721,051 |
| Program expenses | 39,730 | 39,655 | 6,615 |
| Property taxes | - | 13,973 | 3,439 |
| Recreational activities | 210,538 | 207,358 | 92,245 |
| Registration fees | 99 | 99 | 899 |
| Rent - office | - | 389,169 | 364,211 |
| Repairs and maintenance | 734,554 | 959,865 | 625,572 |
| Student allowance | 588,422 | 682,973 | 990,566 |
| Supplies | 974,684 | 719,378 | 672,166 |
| Telephone | 18,457 | 21,558 | 19,438 |
| Tire installation expenses | - | 90,404 | 87,880 |
| Training | 96,721 | 107,959 | 38,083 |
| Travel - medical transportation | 26,838 | 26,890 | 39,132 |
| Travel, meetings and per diems | 388,412 | 437,367 | 190,155 |
| Contribution to Pasqua Land Acquisition LP | - | 210,066 | - |
| Tuition | 503,568 | 497,153 | 558,971 |
| Utilities | 336,710 | 231,895 | 244,550 |
| Wages and benefits | 8,649,842 | 9,742,743 | 8,235,645 |
| Youth initiatives | 19,515 | 19,515 | 13,844 |
| Transfer to capital assets | - | (12,242,526) | (6,763,611) |
| | \$ 31,071,818 | \$ 47,436,799 | \$ 49,140,856 |

33. Segmented information

As previously discussed in note 2(n) 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.

33. Segmented information, continued

Economic Development:

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

Education:

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

Indigenous Government Support:

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

Land Management:

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

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.

33. Segmented information, continued

Health Services

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

Canada Mortgage and Housing Corporation (CMHC)

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

Band Projects

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

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

34. Comparative figures

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

Schedule #1
Pasqua First Nation
Treaties and Indigenous Government
Schedule of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|-------------------------------------|-------------------------------|----------------|----------------|
| Revenue | | | |
| ISC - fixed | \$ 26,400 | \$ 26,400 | \$ 64,943 |
| Other revenue | - | 9,524 | 1,830 |
| Deferred revenue - prior year | 4,318 | 4,318 | 181,300 |
| Deferred revenue - current year | - | (4,318) | (4,318) |
| | 30,718 | 35,924 | 243,755 |
| Expenses | | | |
| Bank charges and supplier interest | - | 42 | 42 |
| Consultants and contractors | - | - | 181,300 |
| Last Mountain IR#80A claim expenses | - | 15,338 | 38,405 |
| Per capita distribution | - | 63,000 | 43,000 |
| Professional fees | - | 120,378 | 79,787 |
| | - | 198,758 | 342,534 |
| Current deficit | \$ 30,718 | \$ (162,834) | \$ (98,779) |

The accompanying notes are an integral part of the financial statements

Schedule #2
Pasqua First Nation
Community Infrastructure
Schedule of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|--|-------------------------------|----------------|----------------|
| Revenue | | | |
| ISC - fixed | \$ 2,663,210 | \$ 1,399,743 | \$ 751,998 |
| ISC - set | 49,480 | - | - |
| ISC - flexible | 241,208 | 1,283,498 | 2,012,741 |
| Canada Mortgage and Housing Corporation (CMHC) | - | - | 7,475 |
| FHQ Tribal Council | 19,100 | - | - |
| CIBC 1906 Land Claim loan proceeds | 3,239,635 | 11,339,152 | 2,270,148 |
| Other revenue | 54,998 | 54,908 | 50,322 |
| Deferred revenue - prior year | 4,272,068 | 4,472,068 | 6,694,589 |
| Deferred revenue - current year | - | (6,737,014) | (4,472,068) |
| | 10,539,699 | 11,812,355 | 7,315,205 |
| Expenses | | | |
| Administration fees - internal allocation | 192 | 60,175 | - |
| Bank charges and supplier interest | 1,286 | 1,510 | 22,052 |
| Capital - equipment purchases | 1,052 | 1,325 | 3,849 |
| Consultants and contractors | 8,755,180 | 10,145,327 | 6,174,974 |
| Depreciation | - | 396,440 | 456,817 |
| Fuel | 68,720 | 67,991 | 54,674 |
| Insurance | 4,360 | 4,360 | 1,512 |
| Other expenses | 169 | 169 | - |
| Repairs and maintenance | 580,455 | 554,522 | 436,913 |
| Supplies | 24,227 | 24,993 | 4,880 |
| Telephone | 2,750 | 3,000 | 3,000 |
| Training | 204 | 204 | - |
| Travel, meetings and per diems | 27,091 | 27,985 | 18,257 |
| Utilities | 249,736 | 100,338 | 90,489 |
| Wages and benefits | 853,734 | 844,395 | 703,142 |
| Transfer to capital assets | - | (9,974,721) | (5,811,446) |
| | 10,569,156 | 2,258,013 | 2,159,113 |
| Current surplus | \$ (29,457) | \$ 9,554,342 | \$ 5,156,092 |

The accompanying notes are an integral part of the financial statements

Schedule #3
Pasqua First Nation
Economic Development
Schedule of Operations

For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|---|-------------------------------|----------------|----------------|
| Revenue | | | |
| ISC - fixed | \$ - | \$ 158,981 | \$ 151,484 |
| FHQ Tribal Council | 86,411 | 86,411 | 86,411 |
| Deferred revenue - prior year | 151,484 | 151,484 | - |
| Deferred revenue - current year | - | - | (151,484) |
| | 237,895 | 396,876 | 86,411 |
| Expenses | | | |
| Administration fees - internal allocation | - | - | 8,641 |
| Assistance - band members | 40,000 | 40,000 | 47,944 |
| Consultants and contractors | 30,000 | 54,000 | 1,000 |
| Depreciation | - | 22,029 | 2,829 |
| Registration fees | 99 | 99 | - |
| Repairs and maintenance | 75,441 | 75,441 | 24,708 |
| Travel, meetings and per diems | 5,802 | 5,803 | - |
| Transfer to capital assets | - | (48,000) | - |
| Wages and benefits | - | 283,965 | - |
| | 151,342 | 433,337 | 85,122 |
| Current surplus (deficit) | \$ 86,553 | \$ (36,461) | \$ 1,289 |

The accompanying notes are an integral part of the financial statements

Schedule #4
Pasqua First Nation
Education

Schedule of Operations

For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|---|-------------------------------|---------------------|-----------------------|
| Revenue | | | |
| ISC - fixed | \$ 5,620,795 | \$ 5,422,258 | \$ 5,044,593 |
| ISC - set | 3,054,155 | - | - |
| ISC - flexible | - | 357,805 | 82,504 |
| FHQ Tribal Council | - | - | 3,382 |
| SITAG - Labour Force Development | 139,543 | 139,543 | 74,356 |
| Other revenue | 15 | 14 | 286 |
| Deferred revenue - prior year | 1,097,084 | 1,097,084 | 136,388 |
| Deferred revenue - current year | 93,979 | (1,712,147) | (1,097,084) |
| | 10,005,571 | 5,304,557 | 4,244,425 |
| Expenses | | | |
| Administration fees - internal allocation | 76,398 | 413,846 | 147,992 |
| Assistance - band members | 500 | 500 | - |
| COVID-19 expenses | 166,672 | 357,275 | 586,625 |
| Capital - equipment purchases | 5,332 | 5,332 | - |
| Consultants and contractors | 311,409 | 310,974 | 641,754 |
| Cultural programs | 18,714 | 18,714 | 20,809 |
| Depreciation | - | 239,949 | 253,115 |
| Fuel | 4,187 | 4,188 | - |
| Graduation, awards, prizes | 30,905 | 30,905 | 11,610 |
| Insurance | 5,712 | 5,712 | 5,612 |
| Janitorial supplies | - | - | 760 |
| Program expenses | 15,047 | 15,047 | 2,230 |
| Recreational activities | 3,000 | - | - |
| Repairs and maintenance | 10,865 | 10,852 | 9,534 |
| Student allowance | 587,972 | 618,523 | 990,566 |
| Supplies | 286,292 | 263,742 | 297,378 |
| Telephone | 2,550 | 2,800 | 2,250 |
| Training | 88,483 | 88,483 | 24,660 |
| Travel, meetings and per diems | 62,721 | 63,620 | 26,234 |
| Tuition | 502,568 | 496,070 | 556,713 |
| Utilities | 53,904 | 52,795 | 80,735 |
| Wages and benefits | 2,701,451 | 2,636,189 | 2,541,400 |
| Transfer to capital assets | - | (1,500) | (10,016) |
| | 4,934,682 | 5,634,016 | 6,189,961 |
| Current deficit | \$ 5,070,889 | \$ (329,459) | \$ (1,945,536) |

The accompanying notes are an integral part of the financial statements

Schedule #5
Pasqua First Nation
Indigenous Government Support
Schedule of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|---|-------------------------------|----------------|----------------|
| Revenue | | | |
| Indigenous Services Canada | \$ 1,645,785 | \$ - | \$ - |
| ISC - grant | 508,116 | 547,758 | 638,829 |
| ISC - fixed | 176,176 | 274,036 | 85,000 |
| ISC - set | 126,311 | - | - |
| ISC - flexible | 737,455 | 1,345,964 | 1,804,192 |
| Touchwood Child & Family Services | 100,000 | 100,000 | - |
| Other revenue | 944,873 | 9,281 | 134,495 |
| Deferred revenue - prior year | 187,840 | 230,340 | 526,670 |
| Deferred revenue - current year | 16,462 | (367,200) | (230,340) |
| | 4,443,018 | 2,140,179 | 2,958,846 |
| Expenses | | | |
| Administration fees - internal allocation | 8,500 | - | 8,500 |
| Assistance - band members | 2,132 | 2,132 | - |
| COVID-19 expenses | - | 123,111 | 2,953,021 |
| Consultants and contractors | 533,723 | 531,040 | 286,308 |
| Cultural programs | 110,476 | 94,485 | - |
| Depreciation | - | 22,669 | 24,687 |
| Fuel | - | - | 32,974 |
| Insurance | - | - | 355 |
| Other expenses | 173 | 173 | 135 |
| Professional fees | 6,497 | 29,564 | 224,857 |
| Program expenses | 6,001 | 6,001 | 638 |
| Repairs and maintenance | 40,304 | 40,178 | 36,089 |
| Supplies | 354,519 | 134,755 | 160,233 |
| Telephone | 4,006 | 4,306 | 5,024 |
| Training | 2,860 | 2,860 | 500 |
| Travel, meetings and per diems | 162,865 | 161,814 | 29,938 |
| Wages and benefits | 3,916,963 | 3,434,732 | 3,336,175 |
| Transfer to capital assets | - | - | (4,213) |
| | 5,149,019 | 4,587,820 | 7,095,221 |
| Current deficit before transfers | (706,001) | (2,447,641) | (4,136,375) |
| Transfers | | | |
| Transfer - Health Services | - | - | 1,520,917 |
| Current deficit | \$ (706,001) | \$ (2,447,641) | \$ (2,615,458) |

The accompanying notes are an integral part of the financial statements

Schedule #6
Pasqua First Nation
Land Management
Schedule of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|---|-------------------------------|----------------|----------------|
| Revenue | | | |
| ISC - fixed | \$ 120,870 | \$ 120,870 | \$ 175,860 |
| Deferred revenue - prior year | - | 46,673 | 5,688 |
| Deferred revenue - current year | - | (27,858) | (46,673) |
| | 120,870 | 139,685 | 134,875 |
| Expenses | | | |
| Administration fees - internal allocation | - | 12,087 | 12,087 |
| Consultants and contractors | 4,899 | 4,899 | 4,818 |
| Registration fees | - | - | 899 |
| Repairs and maintenance | - | - | 67 |
| Supplies | 163 | 163 | 1,240 |
| Training | 1,026 | 1,026 | 1,480 |
| Travel, meetings and per diems | 1,274 | 1,274 | 1,068 |
| Tuition | - | - | 2,138 |
| Wages and benefits | 125,249 | 120,236 | 111,078 |
| Transfer to capital assets | - | (48,000) | - |
| | 132,611 | 91,685 | 134,875 |
| Current surplus | \$ (11,741) | \$ 48,000 | \$ - |

The accompanying notes are an integral part of the financial statements

Schedule #7
Pasqua First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|---|-------------------------------|--------------------|--------------------|
| Revenue | | | |
| Indigenous Services Canada | \$ 141,468 | \$ - | \$ - |
| ISC - fixed | 5,072 | 439,607 | 465,684 |
| ISC - set | 326,458 | 221,097 | 212,310 |
| ISC - flexible | 970,825 | 724,080 | 1,042,830 |
| Touchwood Child & Family Services | 4,270 | 11,271 | 27,500 |
| Deferred revenue - prior year | 712,312 | 533,012 | 190,816 |
| Deferred revenue - current year | - | (715,092) | (712,312) |
| | 2,160,405 | 1,213,975 | 1,226,828 |
| Expenses | | | |
| Administration fees - internal allocation | 24,785 | 24,785 | 22,626 |
| Assistance - band members | 5,270 | 5,670 | - |
| Assistance - social development | 503,331 | 617,188 | 689,865 |
| Bank charges and supplier interest | - | 1,863 | 1,800 |
| COVID-19 expenses | - | 59,045 | 16,612 |
| Consultants and contractors | 278,747 | 265,510 | 315,023 |
| Cultural programs | 56,394 | 46,944 | 1,200 |
| Depreciation | - | - | 5,283 |
| Program expenses | 419 | 419 | 866 |
| Repairs and maintenance | 7,934 | 7,934 | - |
| Student allowance | - | 64,000 | - |
| Supplies | 24,965 | 24,964 | 13,177 |
| Telephone | 1,450 | 1,550 | 1,200 |
| Training | 945 | 945 | - |
| Travel, meetings and per diems | 15,967 | 16,267 | 15,275 |
| Wages and benefits | 97,890 | 94,654 | 159,325 |
| | 1,018,097 | 1,231,738 | 1,242,252 |
| Current deficit | \$ 1,142,308 | \$ (17,763) | \$ (15,424) |

The accompanying notes are an integral part of the financial statements

Schedule #8
Pasqua First Nation
Registration and Membership
Schedule of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|---|-------------------------------|----------------|----------------|
| Revenue | | | |
| ISC - fixed | \$ 18,930 | \$ 18,930 | \$ 18,930 |
| ISC - set | 39,642 | - | - |
| | 58,572 | 18,930 | 18,930 |
| Expenses | | | |
| Administration fees - internal allocation | 1,893 | 1,893 | 1,893 |
| Consultants and contractors | 9,200 | 9,200 | 13,520 |
| Program expenses | 5,250 | 5,250 | - |
| Supplies | 1,385 | 1,385 | 2,875 |
| Training | 1,096 | 1,096 | 530 |
| Travel, meetings and per diems | 261 | 261 | 112 |
| | 19,085 | 19,085 | 18,930 |
| Current deficit | \$ 39,487 | \$ (155) | \$ - |

The accompanying notes are an integral part of the financial statements

Schedule #9
Pasqua First Nation
Health Services
Schedule of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|---|-------------------------------|----------------|----------------|
| Revenue | | | |
| ISC - FNIHB - grant | \$ 4,000 | \$ 19,160 | \$ - |
| ISC - FNIHB - fixed | 87,741 | 88,194 | 76,570 |
| ISC - FNIHB - set | - | 42,500 | - |
| ISC - FNIHB - flexible | 871,631 | 10,877,242 | 8,756,331 |
| Touchwood Child & Family Services | 175,145 | 175,145 | - |
| FHQ Tribal Council | 7,360 | 7,360 | - |
| Other revenue | - | - | 110,000 |
| Deferred revenue - prior year | 1,087,724 | 1,300,806 | - |
| Deferred revenue - current year | - | (2,129,263) | (1,300,806) |
| | 2,233,601 | 10,381,144 | 7,642,095 |
| Expenses | | | |
| Administration fees - internal allocation | 52,654 | 82,628 | 54,223 |
| Assistance - band members | 125 | 125 | 15,600 |
| Assistance - social development | - | - | 2,443 |
| COVID-19 expenses | - | 281,176 | 2,010,992 |
| Capital expenditures | - | 9,241,905 | - |
| Consultants and contractors | 105,781 | 100,523 | 3,614,524 |
| Cultural programs | 181,946 | 188,231 | 68,572 |
| Depreciation | - | 58,465 | 43,579 |
| Fuel | 78 | 78 | 99 |
| Graduation, awards, prizes | 1,500 | 1,500 | - |
| Insurance | 5,600 | 5,600 | 5,350 |
| Other expenses | - | 13,397 | - |
| Professional fees | - | - | 3,000 |
| Repairs and maintenance | 16,650 | 17,095 | 1,329 |
| Supplies | 116,485 | 116,294 | 62,130 |
| Telephone | 3,801 | 3,852 | 2,524 |
| Training | - | - | 6,214 |
| Travel - medical transportation | 26,038 | 26,090 | 39,132 |
| Travel, meetings and per diems | 24,166 | 24,149 | 15,462 |
| Utilities | 29,479 | 12,853 | 28,517 |
| Wages and benefits | 462,476 | 452,923 | 247,410 |
| Transfer to capital assets | - | (72,474) | - |
| | 1,026,779 | 10,554,410 | 6,221,100 |
| Current surplus (deficit) before transfers | 1,206,822 | (173,266) | 1,420,995 |

The accompanying notes are an integral part of the financial statements

Schedule #9, continued
Pasqua First Nation
Health Services
Schedule of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|--|-------------------------------|---------------------|--------------------|
| Transfers | | | |
| Transfer - Indigenous Government Support | - | - | (1,520,917) |
| Current deficit | \$ 1,206,822 | \$ (173,266) | \$ (99,922) |

The accompanying notes are an integral part of the financial statements

Schedule #10
Pasqua First Nation
CMHC Operations
Schedule of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|--|-------------------------------|----------------|----------------|
| Revenue | | | |
| Canada Mortgage and Housing Corporation (CMHC) | \$ - | \$ 9,938,975 | \$ 908,726 |
| CMHC - rental income | - | 289,835 | 273,392 |
| Interest earned | - | 14,908 | 19,526 |
| Other revenue | - | 165 | - |
| Deferred revenue - current year | - | (8,844,267) | - |
| | - | 1,399,616 | 1,201,644 |
| Expenses | | | |
| Administration fees - internal allocation | - | - | 4,520 |
| Bank charges and supplier interest | - | 872 | 479 |
| Consultants and contractors | - | 786,335 | 648,244 |
| Depreciation | - | 582,847 | 605,833 |
| Insurance | - | 162,178 | 146,350 |
| Long-term debt - interest paid | - | 142,319 | 148,907 |
| Professional fees | - | 24,000 | 24,000 |
| Repairs and maintenance | - | 241,624 | 90,028 |
| Transfer to capital assets | - | (486,587) | (626,157) |
| | - | 1,453,588 | 1,042,204 |
| Current surplus (deficit) | \$ - | \$ (53,972) | \$ 159,440 |

The accompanying notes are an integral part of the financial statements

Schedule #11
Pasqua First Nation
Band Projects
Schedule of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|---|-------------------------------|-------------------|-------------------|
| Revenue | | | |
| Indigenous Services Canada | \$ 996,000 | \$ - | \$ - |
| ISC - current year receivable (payable) | (23,195) | - | - |
| Trust funds held by federal government | - | 276,510 | 142,135 |
| First Nations Trust (FNT) | 102,470 | 409,882 | 527,168 |
| Pasqua Legacy Trust - annual income | - | 2,379,297 | 4,189,000 |
| Pasqua TLE Holdings Inc - annual income | - | 177,097 | 205,816 |
| Pasqua TLE - annual income | - | 24,310 | 19,039 |
| SITAG - Labour Force Development | 105,168 | 105,168 | 114,871 |
| SIIT | - | - | 43,499 |
| CIBC 1906 Land Claim loan proceeds | - | 7,740,481 | - |
| FHQ Tribal Council | 552,342 | 521,415 | 456,427 |
| Paskwa Pit Stop (sales less cost of sales) | - | 388,444 | 439,578 |
| Paskwa Pit Stop - other revenue | - | 9,708 | 14,509 |
| CDC revenue | 16,387 | 24,266 | 34,980 |
| Investment income - PHT Business Trust | - | 26,296 | - |
| Interest earned | - | 334 | 365 |
| Keseechiwan Holdings LP | - | 60,000 | 60,000 |
| Other revenue | 6,739,856 | 1,079,951 | 367,160 |
| Manufacturing sales (Pro Metal Industries Inc.) | - | 11,172,017 | 11,534,123 |
| Other production revenue (Pro Metal Industries Inc) | - | 158,791 | 5,245 |
| Land lease revenues (PFN Land acquisition LP) | - | 103,178 | 103,178 |
| Investment income (PFN Group of Companies LP & Inc.) | - | 443,788 | 212,046 |
| Tire sales and installation (PFN GOC LP) | - | 106,051 | 83,423 |
| Gain on disposal of investments | - | 2,504,152 | - |
| Gain on foreign exchange | - | 12,219 | - |
| Change in unrealized gain on investment | - | 25,870 | - |
| PHT Business Trust - annual income | - | 109,721 | - |
| Deferred revenue - prior year | 314,766 | 1,018,857 | 101,625 |
| Deferred revenue - current year | - | (7,622,605) | (1,018,857) |
| | 8,803,794 | 21,255,198 | 17,635,330 |
| Expenses | | | |
| Administration fees - internal allocation | (135,602) | (595,415) | (260,482) |
| Assistance - band members | 810,018 | 812,350 | 402,251 |
| Bad debts (recovery) | - | 9,251 | 14,470 |
| Band development | - | 13,657 | 13,657 |
| Bank charges and supplier interest | 46,694 | 203,149 | 167,765 |
| CIBC Legacy Trust - loan repayment | - | 7,375,000 | - |
| Capital transactions | 62,500 | 62,500 | 385,024 |
| Consultants and contractors | 3,448,167 | 2,427,578 | 301,593 |
| Contribution to PFN Group of Companies LP | - | (3,317,542) | 7,979,394 |
| Cost of goods sold | - | 7,400,709 | 9,297,069 |
| Cost share - allocated from other programs | - | - | 3,050 |
| The accompanying notes are an integral part of the financial statements | | | |

Schedule #11, continued
Pasqua First Nation
Band Projects
Schedule of Operations
For the year ended March 31, 2022

| | 2022 Budget (unaudited) | 2022 Actual | 2021 Actual |
|--|-------------------------------|-------------------|-----------------------|
| Cultural programs | 1,091,828 | 1,077,503 | 972,904 |
| Depreciation | - | 1,243,538 | 1,019,721 |
| Governance | 817,152 | 404,328 | 687,082 |
| Graduation, awards, prizes | 7,875 | 7,875 | - |
| Insurance | 118,215 | 195,843 | 107,270 |
| Investment management fees | - | 1,291 | - |
| Lease payments - equipment | - | 13,207 | - |
| Long-term debt - interest paid | 69,151 | 405,182 | 376,600 |
| Management Fees | - | 190,566 | 168,780 |
| Other expenses | 94,182 | 328,007 | 318,810 |
| PFN gravel purchases | 20,183 | 20,183 | 165,723 |
| Paskwa Pit Stop | - | 322,474 | 413,589 |
| Professional fees | 618,873 | 776,155 | 389,407 |
| Program expenses | 13,013 | 12,932 | 2,885 |
| Property taxes | - | 13,973 | 3,439 |
| Recreational activities | 207,538 | 207,358 | 92,245 |
| Rent - office | - | 389,169 | 364,211 |
| Repairs and maintenance | 2,905 | 12,219 | 26,903 |
| Student allowance | 450 | 450 | - |
| Supplies | 166,648 | 153,078 | 130,251 |
| Telephone | 3,900 | 6,050 | 5,440 |
| Tire installation expenses | - | 90,404 | 87,880 |
| Training | 2,107 | 13,346 | 4,699 |
| Travel - medical transportation | 800 | 800 | - |
| Travel, meetings and per diems | 88,265 | 136,195 | 83,810 |
| Contribution to Pasqua Land Acquisition LP | - | 210,066 | - |
| Tuition | 1,000 | 1,082 | 120 |
| Utilities | 3,591 | 65,908 | 44,808 |
| Wages and benefits | 492,079 | 1,875,652 | 1,137,116 |
| Youth initiatives | 19,515 | 19,515 | 13,844 |
| Transfer to capital assets | - | (1,611,245) | (311,780) |
| | 8,071,047 | 20,974,341 | 24,609,548 |
| Current surplus (deficit) | \$ 732,747 | \$ 280,857 | \$ (6,974,218) |

The accompanying notes are an integral part of the financial statements