



Muskowekwan First Nation
Consolidated Financial Statements
March 31, 2021



Muskowekwan First Nation

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Management's Responsibility



To the Members of Muskowekwan First Nation:

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 are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

MNP LLP, 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 of Muskowekwan First Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

January 28, 2022

Signed by: Sheila Bigsky

Management

Independent Auditor's Report

To the Members of Muskowekwan First Nation:

Opinion

We have audited the consolidated financial statements of Muskowekwan First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows and related schedules 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, 2021, and the results of its consolidated operations, its consolidated changes in 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 Auditor's 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.

Auditor's 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 auditor's 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 consolidated financial statements.

Independent Auditor's Report *(continued from previous page)*

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 auditor's 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 auditor's 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 First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

Saskatoon, Saskatchewan

January 28, 2022

MNP LLP

Chartered Professional Accountants



Muskowekwan First Nation
Consolidated Statement of Financial Position
As at March 31, 2021

| | 2021 | 2020 |
|---|--------------------|-------------------|
| Financial assets | | |
| Current | | |
| Cash resources | 1,528,373 | - |
| Restricted cash (Note 3) | 432,172 | 496,773 |
| Accounts receivable (Note 4) | 497,039 | 708,278 |
| Inventory for resale | 14,540 | 13,396 |
| Subtotal of current assets | 2,472,124 | 1,218,447 |
| Restricted cash (Note 3) | 70,043 | 286,538 |
| Due from related parties (Note 5) | 419,340 | 419,102 |
| Investments (Note 6) | 5,564,491 | 5,250,547 |
| Funds held in Ottawa Trust Fund (Note 7) | 291,658 | 328,311 |
| Total financial assets | 8,817,656 | 7,502,945 |
| Liabilities | | |
| Current | | |
| Bank indebtedness (Note 8) | 503,544 | 267,965 |
| Accounts payable and accruals | 632,998 | 1,011,159 |
| Deferred revenue (Note 9) | 1,755,225 | 555,246 |
| Due to related party (Note 10) | 945,562 | 958,370 |
| Current portion of long-term debt (Note 11) | 633,085 | 796,185 |
| Subtotal of current liabilities | 4,470,414 | 3,588,925 |
| Long-term debt (Note 11) | 5,438,034 | 4,748,560 |
| Total financial liabilities | 9,908,448 | 8,337,485 |
| Net debt | (1,090,792) | (834,540) |
| Commitment (Note 6) | | |
| Contingent liabilities (Note 12) | | |
| Non-financial assets | | |
| Tangible capital assets (Note 13) | 26,034,091 | 24,378,238 |
| Prepaid expenses and deposits | 172,635 | 50,086 |
| Accumulated surplus (Note 14) | 25,115,934 | 23,593,784 |

Approved on behalf of Chief and Council

Signed by: Jamie Wolfe

Councillor

Signed by: Calvin Wolfe

Councillor



Muskowekwan First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2021

| | 2021 Budget (Note 18) | 2021 Actual | 2020 Actual |
|---|--------------------------------------|------------------------|------------------------|
| Revenues | | | |
| Indigenous Services Canada (Note 19) | 7,109,040 | 10,538,920 | 6,971,804 |
| First Nations & Inuit Health Branch | 809,789 | 1,502,602 | 961,736 |
| Touchwood Agency Tribal Council | 600,542 | 1,189,463 | 741,437 |
| Other | 494,500 | 920,544 | 1,200,478 |
| Gaming | 1,500,000 | 588,073 | 1,427,056 |
| Rental income | 393,800 | 581,741 | 547,730 |
| CMHC | 370,000 | 475,940 | 466,219 |
| First Nations Trust | 600,000 | 429,156 | 589,263 |
| CANDO | - | 364,469 | 74,668 |
| Earnings from investments in government business enterprises (Note 6) | 27,000 | 313,844 | 165,378 |
| Leases | 350,000 | 274,193 | 251,334 |
| Investment income | - | 150,000 | - |
| Dakota Dunes Community Development Corporation | 200,000 | 126,565 | 339,396 |
| Touchwood Child & Family Services Inc. | - | 68,950 | 46,353 |
| Interest | 50,000 | 32,296 | 36,336 |
| Indigenous Gaming Regulators | - | 30,159 | 131,992 |
| | 12,504,671 | 17,586,915 | 13,951,180 |
| Program expenses | | | |
| Band Government | 1,661,822 | 3,013,524 | 3,112,812 |
| Capital | 630,856 | 804,720 | 503,759 |
| Community Infrastructure | 856,359 | 996,260 | 1,076,041 |
| Education | 4,460,606 | 4,870,313 | 4,591,656 |
| Lands | 510,308 | 654,025 | 765,386 |
| Social Development | 1,379,870 | 2,099,568 | 1,664,631 |
| Health | 935,320 | 1,303,518 | 1,300,874 |
| Economic Development | 26,600 | 197,322 | 290,546 |
| Housing | 454,000 | 1,054,812 | 986,451 |
| Muskowekwan Gaming Inc. | 1,600,000 | 675,295 | 1,765,540 |
| Muskowekwan Family Healing & Wellness Centre Inc. | - | 395,408 | 74,668 |
| Total expenses | 12,515,741 | 16,064,765 | 16,132,364 |
| Annual surplus (deficit) | (11,070) | 1,522,150 | (2,181,184) |
| Accumulated surplus, beginning of year | 23,593,784 | 23,593,784 | 25,774,968 |
| Accumulated surplus, end of year | 23,582,714 | 25,115,934 | 23,593,784 |

The accompanying notes are an integral part of these financial statements



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

| | <i>2021 Budget (Note 18)</i> | <i>2021 Actual</i> | <i>2020 Actual</i> |
|---|--------------------------------------|------------------------|------------------------|
| Annual surplus (deficit) | (11,070) | 1,522,150 | (2,181,184) |
| Purchases of tangible capital assets | - | (3,180,834) | (1,990,724) |
| Amortization of tangible capital assets | 520,000 | 1,499,125 | 1,447,511 |
| Proceeds on disposal of tangible capital assets | - | 25,856 | - |
| Prepaid expenses and deposits | - | (122,549) | 206,250 |
| | 520,000 | (1,778,402) | (336,963) |
| Change in net financial assets (debt) | 508,930 | (256,252) | (2,518,147) |
| Net financial assets (debt), beginning of year | (834,540) | (834,540) | 1,683,607 |
| Net debt, end of year | (325,610) | (1,090,792) | (834,540) |

The accompanying notes are an integral part of these financial statements



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

| | 2021 | 2020 |
|--|-------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Annual surplus (deficit) | 1,522,150 | (2,181,184) |
| Non-cash items | | |
| Amortization | 1,499,125 | 1,447,511 |
| Earnings from investments in government business enterprises | (313,844) | (165,378) |
| | 2,707,431 | (899,051) |
| Changes in accounts | | |
| Accounts receivable | 211,239 | 1,358,628 |
| Inventory for resale | (1,144) | (1) |
| Accounts payable and accruals | (378,161) | (6,084) |
| Deferred revenue | 1,199,979 | 298,320 |
| | 3,739,344 | 751,812 |
| Financing activities | | |
| Decrease in due to related party | (12,808) | (12,840) |
| Increase in bank indebtedness | 235,579 | 267,965 |
| Advances of long-term debt | 1,371,283 | 1,188,335 |
| Repayment of long-term debt | (844,909) | (861,587) |
| | 749,145 | 581,873 |
| Capital activities | | |
| Purchases of tangible capital assets | (3,180,834) | (1,990,724) |
| Proceeds on disposal of tangible capital assets | 25,856 | - |
| Prepaid expenses and deposits | (122,549) | 206,250 |
| | (3,277,527) | (1,784,474) |
| Investing activities | | |
| Decrease in restricted cash (net) | 281,096 | 225,367 |
| Increase in due from related parties (net) | (238) | (6,680) |
| Acquisition of investment | (100) | - |
| Decrease (increase) in funds held in Ottawa Trust Fund | 36,653 | 96,818 |
| | 317,411 | 315,505 |
| Increase (decrease) in cash resources | 1,528,373 | (135,284) |
| Cash resources, beginning of year | - | 135,284 |
| Cash resources, end of year | 1,528,373 | - |

The accompanying notes are an integral part of these financial statements



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

1. Nature of Operations

The Muskowekwan First Nation (the "First Nation") is located in Treaty 4 territory in the Province of Saskatchewan, and provides various services to its Members. The Muskowekwan First Nation financial reporting entity includes the First Nation's operations and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

Impact on operations of COVID-19 (coronavirus)

In early March 2020 the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The First Nation's operations were impacted by COVID-19 due to office closures, travel restrictions, cancellation of events and increased costs of compliance with other guidelines and regulations. The First Nation received additional funding from Indigenous Services Canada to assist with COVID-19 related costs, however the First Nation received less funding from First Nations Trust due to the closure of SIGA casinos. The First Nation expects these impacts to continue until the pandemic is over.

Muskowekwan Gaming Inc., which operates a bingo hall, was significantly affected as they were required to close for approximately 8 months of the year. Due to this the amount of financial support the bingo hall was able to provide to the community was significantly reduced. There could be further impacts as the pandemic continues, but the hall was able to reopen in July 2021.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards, and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity. The following entities and departments have been consolidated:

- Muskowekwan First Nation;
- Muskowekwan First Nation CMHC Housing;
- Muskowekwan Gaming Inc.;
- Muskowekwan Family Healing & Wellness Centre Inc.;
- Muskowekwan Treaty Land Entitlement - Revenue Account;
- Muskowekwan Business Development Company Ltd.;
- 211413 Saskatchewan Ltd.

All inter-entity balances have been eliminated on consolidation.

First Nation business entities, owned or controlled by the First Nation, but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for its proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include Muskowekwan Resources Ltd., Muskowekwan Gas Bar & Confectionary Ltd., Muskowekwan Business Development Company II Ltd. and MFN Land Development Limited Partnership (including its general partner 102048326 Saskatchewan Ltd.). The Muskowekwan Treaty Land Entitlement Trust - Principal Account and Ledcor Trust - Principal Account are not included in the consolidated financial statements as they are administered and controlled by Trustees.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

2. Significant accounting policies *(Continued from previous page)*

Other Economic Interests

The Muskowekwan First Nation is a member of Touchwood Agency Specific Claim. Touchwood Agency Specific Claim is an organization of five Nations, whose purpose is to negotiate a specific claim with regards to Indigenous Services Canada's alleged mismanagement of funds of the Touchwood Agency during the period 1920 to 1924. (See note 12)

The Muskowekwan First Nation is a member of Touchwood Agency Band Misadministration Claim Trust. Touchwood Agency Band Misadministration Claim Trust represents five First Nations who are the beneficiaries of the Trust. The purpose of the Trust is to jointly advance the claims of these First Nations with regards to Indigenous Services Canada's alleged mismanagement of funds of the Touchwood Agency during the period 1920 to 1924. (See Note 12)

The Muskowekwan First Nation is a member of Touchwood Child & Family Services Inc. Touchwood Child & Family Services Inc. is an organization of five member Nations, whose purpose is to provide Child and Family services to the member Nations.

The Muskowekwan First Nation is a member of Touchwood Post Secondary Program Inc. Touchwood Post Secondary Program Inc. is an organization of three member Nations, whose purpose is to provide education support services to the member Nations.

The Muskowekwan First Nation is a member of Touchwood Agency Tribal Council Inc. Touchwood Agency Tribal Council Inc. is an organization of four member Nations, whose purpose is to provide services to the member Nations.

The First Nation does not have a share in the profit or loss of the above entities. As a result, the financial statements of Touchwood Agency Specific Claim, Touchwood Agency Band Misadministration Claim Trust, Touchwood Child & Family Services Inc., Touchwood Post Secondary Program Inc. and Touchwood Agency Tribal Council Inc. have not been consolidated in the financial statements of Muskowekwan First Nation.

The First Nation is a member of several other entities. The First Nation does not share in the profit or loss of these entities. As a result these entities have not been reported in these consolidated financial statements.

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 the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that limit its use to specific purposes is included in restricted cash.

Restricted cash

Restricted cash consists of funds held for specific purposes. Cash held for specific purposes is maintained in separate bank accounts. Amounts restricted are for capital projects, education, CMHC replacement reserve, CMHC operating reserve and the Treaty Land Entitlement revenue account.

Inventory for resale

Inventory is valued at the lower of cost and estimated net realizable value.

Portfolio investments

Long-term investments in entities that are not owned or controlled by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

2. Significant accounting policies (Continued from previous page)

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the First Nation by the Government of Canada consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible 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 managed and reported on by the Government of Canada.

Tangible capital assets

Tangible capital assets are recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

Land purchased is recorded at the purchase price. The First Nation holds original reserve land. This land is not recognized in the First Nation's financial statements.

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortized the cost of the assets over their estimated useful lives:

| | Rate |
|-----------------|---------------|
| Housing | 20 - 25 years |
| Buildings | 25 years |
| Water and sewer | 25 years |
| Equipment | 10 years |
| Subdivision | 25 years |

Land is not amortized. Work in progress is not amortized until assets are put into use.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses and deposits.

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as a measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the statement of financial position in the year of receipt.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

2. Significant accounting policies *(Continued from previous page)*

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenue

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. Muskowekwan Gaming Inc. revenue is recognized when the bingo event has occurred. Interest revenue is recognized on an accrual basis. Insurance proceeds are recognized when measurable, earned and collection is reasonably assured.

Liability for contaminated site

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. There are no known liabilities at March 31, 2021.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the period in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenues are recorded based on estimated eligible expenses incurred in the related programs.

Segments

The First Nation conducts its business through 13 reportable segments (Note 16). These operating segments are established by senior management to achieve the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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



Muskowekwan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

3. Restricted cash

| | 2021 | 2020 |
|---|----------------|----------------|
| Current | | |
| Capital Projects | 261,578 | 227,001 |
| Term deposit - education | 167,808 | 85,176 |
| TLE Revenue Account | 1,777 | 194 |
| Muskowekwan Ledcor Trust | 1,009 | 1,115 |
| Muskowekwan Family Healing & Wellness Centre Inc. | - | 183,287 |
| | 432,172 | 496,773 |
| Long-term | | |
| CMHC operating reserve | 63,028 | 148,630 |
| CMHC replacement reserve | 7,015 | 137,908 |
| | 70,043 | 286,538 |
| | 502,215 | 783,311 |

4. Accounts receivable

| | 2021 | 2020 |
|--|----------------|----------------|
| Other | 220,422 | 121,165 |
| Dakota Dunes Community Development Corporation | 138,351 | 127,528 |
| Touchwood Agency Tribal Council | 70,953 | 136,904 |
| Canada Mortgage and Housing Corporation | 45,460 | 99,617 |
| Muskowekwan Ledcor Trust - Principal Account | 21,853 | 21,853 |
| Indigenous Services Canada | - | 148,811 |
| First Nations & Inuit Health Branch | - | 52,400 |
| | 497,039 | 708,278 |

5. Due from related parties

| | 2021 | 2020 |
|--|----------------|----------------|
| MFN Land Development Limited Partnership | 319,695 | 319,457 |
| Muskowekwan Gas Bar & Confectionary Ltd. | 99,645 | 99,645 |
| | 419,340 | 419,102 |

Amounts due from related parties are non-interest bearing, unsecured and without fixed repayment terms. The First Nation owns MFN Land Development Limited Partnership and Muskowekwan Gas Bar & Confectionary Ltd.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

6. Investments

The First Nation has investments in the following entities:

| | <i>Opening balance</i> | <i>Initial investment</i> | <i>Share of earnings (loss)</i> | <i>Total investment</i> |
|--|----------------------------|-------------------------------|-------------------------------------|-----------------------------|
| Portfolio investment | | | | |
| IMI Brokerage | 12,005 | - | - | 12,005 |
| KDM Business Development LP | - | 100 | - | 100 |
| | 12,005 | 100 | - | 12,105 |
| Government businesses: | | | | |
| Muskowekwan Gas Bar & Confectionary Ltd. | 130,949 | - | (30,084) | 100,865 |
| Muskowekwan Resources Ltd. | 100 | - | - | 100 |
| Muskowekwan Business Development Company II Ltd. | (70,367) | - | 2,292 | (68,075) |
| MFN Land Development LP | 5,177,860 | - | 341,636 | 5,519,496 |
| | 5,238,542 | - | 313,844 | 5,552,386 |
| | 5,250,547 | 100 | 313,844 | 5,564,491 |

Summary financial information for each government business enterprise, accounted for using the modified equity method:

| | <i>Muskowekwan Gas Bar & Confectionary Ltd. As at March 31, 2021</i> | <i>Muskowekwan Resources Ltd. As at March 31, 2021</i> | <i>Muskowekwan Business Development Company II Ltd. As at March 31, 2021</i> | <i>MFN Land Development LP As at March 31, 2021</i> |
|--|--|--|--|---|
| Assets | | | | |
| Cash | - | 1,351 | - | 34,026 |
| Accounts receivable / inventory | 181,951 | 1,885 | - | 187,591 |
| Investments | - | 175,515 | 3,727,736 | - |
| Property, plant and equipment | 181,824 | 3,488 | - | 6,150,331 |
| Due from related parties | - | 80,354 | 1,000,132 | - |
| Investment property | - | - | - | 10,869,064 |
| Total assets | 363,775 | 262,593 | 4,727,868 | 17,241,012 |
| Liabilities | | | | |
| Line of credit / accounts payable | 123,265 | 1,718 | - | 132,543 |
| Deferred revenue | - | - | 4,675,830 | - |
| Long-term debt | 40,000 | 8,646,501 | - | 11,068,473 |
| Due to related parties | 99,645 | 794,475 | 120,113 | 520,500 |
| Total liabilities | 262,910 | 9,442,694 | 4,795,943 | 11,721,516 |
| Accumulated other comprehensive loss | - | (3,220,821) | - | - |
| Net assets excluding accumulated other comprehensive loss | 100,865 | (5,959,280) | (68,075) | 5,519,496 |
| Total revenue | 2,508,188 | 161 | 16,644 | 750,310 |
| Total expenses | 2,538,272 | 974,548 | 14,352 | 408,674 |
| Net income (loss) | (30,084) | (974,387) | 2,292 | 341,636 |



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

6. Investments (Continued from previous page)

MFN Land Development Limited Partnership

During the previous year, the First Nation created MFN Land Development Limited Partnership to operate the business of investing in, developing, constructing, operating and managing real estate and land, including the Nation's fee simple lands. As part of its creation the First Nation transferred \$9,312,448 of land at its carrying amount and received \$4,248,825 from the Limited Partnership to pay off the related debt. The First Nation received 5,063,623 partnership units valued at \$1 each in return for the amounts transferred. Of the \$9,312,448 transferred \$6,150,331 was originally contributed to the First Nation from Muskowekwan Treaty Land Entitlement Trust and \$3,162,117 had been obtained by the First Nation through its own source funds and financing. The land obtained from own source funds and financing plus purchases by the Limited Partnership during the year have been presented as investment property in the summary financial information.

Principal repayments on long-term debt for this government business enterprise in each of the next five years, assuming all term debt is subject to contractual terms of repayment, are estimated as follows:

| 2022 | 2023 | 2024 | 2025 | 2026 | Thereafter | Total |
|---------|---------|---------|---------|---------|------------|------------|
| 379,226 | 392,422 | 406,077 | 420,208 | 434,830 | 9,035,710 | 11,068,473 |

Muskowekwan Resources Ltd.

Muskowekwan Resources Ltd. ("MRL") was created to participate with a publicly-traded potash company in developing potash resources. MRL has entered into a head lease on certain lands owned by the First Nation, which it will sublease to the potash company.

MRL has a \$3 million demand debenture owing to First Nations and Metis Fund Inc. (the "Fund"), which bears interest at 12% per annum. At March 31, 2021, the total outstanding including accrued interest is \$8,646,501. Security for the debenture and accrued unpaid interest includes a specific interest in certain Encanto Potash Corp. shares and warrants owned by MRL, and a security interest in all other assets of the company. Should these shares be sold, the proceeds would first be directed to the payment of the outstanding debenture principal and accrued interest. The Fund would also receive 40% of any proceeds in excess of that amount. The debenture matured in 2017. The Fund has advised it does not currently intend to take action to enforce its security under the debenture, but reserves the right to take such action at any time.

MRL's accumulated other comprehensive loss is the accumulated decline in the fair market value of investments held by MRL. A significant portion of the realized accumulated deficit is accrued interest on the debenture owing to the Fund. The First Nation has no liability for these amounts, and therefore has not recorded any further losses on its investment in MRL once the carrying value of its investment was a nominal amount. The First Nation will only begin recognizing the investment when the value of the shares and warrants are sufficient to repay the outstanding debenture principal and accrued interest, or if the Fund forgives a sufficient amount of the debenture principal and accrued interest.

Commitment

Muskowekwan Business Development Company Ltd. has entered into a head lease with Her Majesty the Queen in Right of Canada for 319 acres of reserve lands, which they are subleasing to Muskowekwan Business Development Company II Ltd. In 2017, Muskowekwan Business Development Company II Ltd. then entered into a sub-sublease for this land with Port Regina Limited Partnership for 98 years for which prepayment has been received in the form of partnership units and cash.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

7. Funds held in Ottawa Trust Fund

Funds held in Ottawa Trust Fund are held on behalf of the Members of Muskowekwan First Nation by the Government of Canada and consist of capital and revenue trust moneys. Moneys are transferred from these funds to the First Nation on the authorization of the First Nation's Chief and Council, with the consent of the Minister of Indigenous Services Canada.

| | 2021 | 2020 |
|------------------------------------|----------------|----------------|
| Capital Trust | | |
| Balance, beginning and end of year | 268,806 | 268,806 |
| Revenue Trust | | |
| Balance, beginning of year | 59,505 | 156,323 |
| Interest | 3,601 | 6,600 |
| Leases | 41,746 | 41,940 |
| Payments to First Nation | (82,000) | (145,358) |
| Balance, end of year | 22,852 | 59,505 |
| | 291,658 | 328,311 |

8. Bank indebtedness

The First Nation has a line of credit with Royal Bank of Canada ("RBC") with an authorized limit of \$300,000 bearing interest at prime (2.45%) (2020 - 2.45%) plus 2.00%. The line of credit is secured by assignment of ISC transfers. As at March 31, 2021 the First Nation has drawn \$nil (2020 - \$75,431) on the RBC line of credit. The Muskowekwan Family Healing & Wellness Centre Inc. has an available overdraft up to \$400,000 which bears interest at 10% with Peace Hills Trust ("PHT"). As at March 31, 2021 \$393,104 was drawn on the overdraft with PHT. The remainder of bank indebtedness is comprised of outstanding cheques and deposits.

9. Deferred revenue

| | <i>Balance, beginning of year</i> | <i>Contributions received</i> | <i>Recognized</i> | <i>Balance, end of year</i> |
|---|---|-----------------------------------|-------------------|---------------------------------|
| ISC & CANDO - Family Healing & Wellness Centre Inc. | 183,287 | 306,182 | 489,469 | - |
| ISC - Biological Treatment Plant | 134,720 | 650,000 | 625,920 | 158,800 |
| ISC - Solid Waste Transfer Station | 82,220 | - | 64,773 | 17,447 |
| ISC - Community Navigator | 58,471 | 85,000 | 102,149 | 41,322 |
| ISC - P&ID Financial Management | 49,000 | - | 49,000 | - |
| ISC - School Assessment | 47,548 | 30,000 | 49,180 | 28,368 |
| ISC - Lagoon | - | 300,000 | 155,429 | 144,571 |
| ISC - P&ID | - | 13,564 | - | 13,564 |
| ISC - Water Systems | - | 341,226 | 206,999 | 134,227 |
| ISC - Post Secondary | - | 791,452 | 697,699 | 93,753 |
| ISC - Employment & Training | - | 192,599 | 83,034 | 109,565 |
| ISC - 1910/1920 Surrender Claim | - | 75,242 | 7,600 | 67,642 |
| ISC - COVID-19 administration | - | 623,036 | 381,408 | 241,628 |
| ISC - Perimeter Security | - | 915,040 | 419,227 | 495,813 |
| FNIHB - COVID-19 | - | 360,188 | 151,663 | 208,525 |
| | 555,246 | 4,683,529 | 3,483,550 | 1,755,225 |



Muskowekwan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

10. Due to related party

| | 2021 | 2020 |
|--|----------------|-------------|
| Muskowekwan Business Development Company II Ltd. | 945,562 | 958,370 |

Amounts due to the related party are non-interest bearing, unsecured and without fixed repayment terms. The First Nation owns this entity.

11. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

| Phase | Monthly Payment Including Interest | Interest Rate | Renewal Date | 2021 | 2020 |
|---|---------------------------------------|---------------|--------------|------------------|-------------|
| XIV | 662 | 0.67% | 1-May-24 | 24,870 | 33,200 |
| XV | 1,094 | 0.96% | 1-Sept-21 | 67,205 | 79,629 |
| XVI | 791 | 1.43% | 1-Apr-22 | 55,235 | 63,867 |
| XVII | 1,381 | 2.35% | 1-Jul-23 | 108,115 | 121,992 |
| XVIII | 993 | 0.70% | 1-Sept-25 | 91,781 | 102,716 |
| XIX | 318 | 0.65% | 1-Mar-25 | 15,086 | 76,279 |
| XX | 7,317 | 1.31% | 1-Dec-21 | 486,000 | 566,893 |
| XXI | 7,514 | 2.14% | 1-Mar-24 | 1,000,230 | 1,068,345 |
| XXII | 7,053 | 0.79% | 1-Jan-26 | 1,070,852 | 1,145,475 |
| XXIII | 2,155 | 1.50% | 1-Jul-22 | 372,630 | 396,906 |
| XXIV | 5,038 | 2.06% | 1-Jan-25 | 727,740 | 772,796 |
| XXV | 2,511 | 0.98% | 1-Apr-25 | 396,325 | - |
| XXVI | 8,043 | 0.79% | 1-Jan-26 | 1,350,650 | - |
| | | | | 5,768,719 | 4,428,098 |
| Royal Bank of Canada loan payable, interest at RBC prime rate plus 2.00% with blended principal and interest payments of \$57,000 semi-annually, matures June 2022, secured by a general security agreement ("GSA") | | | | 152,563 | 255,303 |
| Royal Bank of Canada loan payable, interest at RBC prime rate plus 2.00% with blended principal and interest payments of \$30,000 semi-annually, matures October 2022, secured by a GSA | | | | 120,389 | 172,077 |
| John Deere capital lease payable, interest at 4.85% with blended principal and interest payments of \$6,878 semi-annually, matures July 2022, secured by equipment with a net book value of \$27,766 | | | | 19,670 | 32,018 |
| Royal Bank of Canada loan payable, interest at RBC prime rate plus 2.00% with blended principal and interest payments of \$6,000 monthly, matures May 2021, secured by a GSA | | | | 9,778 | 79,592 |
| Canada Mortgage and Housing Corporation Phase XXV loan advances | | | | - | 411,727 |
| Royal Bank of Canada loan repaid during the year | | | | - | 165,930 |
| | | | | 6,071,119 | 5,544,745 |
| Current portion | | | | (633,085) | (796,185) |
| | | | | 5,438,034 | 4,748,560 |



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

11. Long-term debt (Continued from previous page)

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed with similar rates and terms, are estimated as follows:

| | |
|------|---------|
| 2022 | 633,085 |
| 2023 | 567,793 |
| 2024 | 475,965 |
| 2025 | 467,074 |
| 2026 | 473,889 |

The general security agreement (GSA) provides a first right to the bank over ISC, Muskowekwan Gaming, lease and First Nations Trust revenues.

12. Contingent liabilities

Funding

These consolidated financial statements are subject to review by the First Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.

Touchwood Agency Specific Claim

The Government of Canada provided Touchwood Agency Specific Claim with an interest-free loan of approximately \$2,251,000. The loan was used for research, development and negotiation of its claim related to the alleged mismanagement of the Touchwood Agency Funds from 1920 to 1924. The loan is interest free and repayable on the earlier of March 31, 2010 or the date on which the claim is settled. There are provisions in the loan agreement with Indigenous Services Canada to have the repayment period extended. The five Nations who are members of the Touchwood Agency Specific Claim may be directly or indirectly responsible for the repayment of this loan. The amount of the liability, if any, is not determinable at this time. If any liability results from the loan, it will be recorded in the period the liability is determinable. As of March 31, 2021 the Government of Canada has not requested repayment. If the claim is not settled, it is uncertain if the loan will have to be paid back to the Government of Canada.

Touchwood Agency Band Misadministration Claim Trust

In the prior year, the First Nation along with four other First Nations engaged legal counsel to jointly advance their claims related to the alleged mismanagement of the Touchwood Agency funds by Indian Affairs Canada from 1920 to 1924. Financing and an insurance policy to cover legal fees were obtained by Touchwood Agency Band Misadministration Claim Trust at the direction of the five First Nations. Financing has been authorized to a maximum of \$4,855,760 to cover expenses relating to the advancement of the claim. At March 31, 2021 there was a contingent fee agreement in place which ranged from 4% to 12% of the settlement depending on how the claim is settled. The financing and contingent fees are expected to be paid from settlement proceeds. Should there be any amounts in excess of settlement proceeds these would be expected to be covered by the insurance policy. The five Nations who are members of the Trust have guaranteed the financing obtained by the Trust and are responsible for the repayment of any amounts not covered by settlement proceeds or insurance. The Trust is not controlled or jointly controlled by the First Nation and as a result is not included in the consolidated financial statements.



Muskowekwan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

13. Tangible capital assets

| | <i>Housing</i> | <i>Buildings</i> | <i>Water and sewer</i> | <i>Equipment</i> | <i>Subdivision</i> | <i>Work in Progress</i> | <i>Purchased Land</i> | <i>2021</i> | <i>2020</i> |
|--|-------------------|-------------------|----------------------------|------------------|--------------------|-----------------------------|---------------------------|-------------------|-------------------|
| Cost | | | | | | | | | |
| Balance, beginning of year | 22,350,435 | 12,263,977 | 3,267,897 | 3,247,475 | 2,257,394 | 1,100,301 | 8,224,327 | 52,711,806 | 50,721,082 |
| Acquisition of tangible capital assets | 1,613,236 | - | - | 175,370 | - | 1,392,228 | - | 3,180,834 | 1,990,724 |
| Disposal of tangible capital assets | (103,423) | - | - | - | - | - | - | (103,423) | - |
| Transfer to completed capital assets | 550,074 | - | - | - | - | (550,074) | - | - | - |
| Balance, end of year | 24,410,322 | 12,263,977 | 3,267,897 | 3,422,845 | 2,257,394 | 1,942,455 | 8,224,327 | 55,789,217 | 52,711,806 |
| Accumulated amortization | | | | | | | | | |
| Balance, beginning of year | 14,943,162 | 9,483,345 | 699,968 | 2,484,725 | 722,368 | - | - | 28,333,568 | 26,886,057 |
| Annual amortization | 682,156 | 431,653 | 81,697 | 213,323 | 90,296 | - | - | 1,499,125 | 1,447,511 |
| Disposal of tangible capital assets | (77,567) | - | - | - | - | - | - | (77,567) | - |
| Balance, end of year | 15,547,751 | 9,914,998 | 781,665 | 2,698,048 | 812,664 | - | - | 29,755,126 | 28,333,568 |
| Net book value | 8,862,571 | 2,348,979 | 2,486,232 | 724,797 | 1,444,730 | 1,942,455 | 8,224,327 | 26,034,091 | |
| 2020 Net book value | 7,407,273 | 2,780,632 | 2,567,929 | 762,750 | 1,535,026 | 1,100,301 | 8,224,327 | | 24,378,238 |



Muskowekwan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

14. Accumulated surplus

Accumulated surplus consists of the following:

| | 2021 | 2020 |
|--------------------------|--------------------|-------------|
| Operating | (2,046,047) | (2,397,583) |
| Capital Asset | 20,115,535 | 19,254,726 |
| Commercial | 5,564,491 | 5,250,547 |
| CMHC Operating Reserve | 374,862 | 355,207 |
| CMHC Replacement Reserve | 815,435 | 802,576 |
| Ottawa Trust Funds | 291,658 | 328,311 |
| | 25,115,934 | 23,593,784 |

At March 31, 2021 the CMHC reserves are underfunded by \$1,120,254. The possible effect of this violation of the CMHC funding agreement has not yet been determined.

15. Funds and reserves

The Muskowekwan First Nation maintains the following funds and reserves as part of its operations.

- Operating Fund reports on the general activities of the First Nation's administration;
- Capital Asset Fund reports on the capital assets and projects of the First Nation;
- Commercial Fund reports on commercial business operations owned by the First Nation;
- CMHC Operating Reserve Fund is required as part of the First Nation's CMHC Housing Program, which receives funds pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this Program;
- CMHC Replacement Reserve Fund is required as part of the First Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses; and
- Ottawa Trust Fund reports on trust moneys owned by the First Nation and held by the Government of Canada.



Muskowekwan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

16. Segments

The First Nation has 13 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Ottawa Trust Funds - reports revenues allocated to the funds and transfers to other segments.

Investment in Business Entities - reports on gains and losses of the First Nation's business enterprises.

Band Government - reports on administration and governance activities.

Capital - reports on capital projects.

Community Infrastructure - reports on the maintenance of the community and its infrastructure.

Education - reports on the operations of education programs.

Lands - reports on activities for the development of the First Nation's land.

Social Development - reports on activities related to delivering social programs.

Health - reports on the First Nation's health programs.

Economic Development - reports on operations relating to developing the First Nation's economic opportunities.

Housing - reports on housing operations funded by Canada Mortgage and Housing Corporation.

Muskowekwan Gaming Inc. - reports on operations of the First Nation's not for profit organization.

Muskowekwan Family Healing & Wellness Centre Inc. - reports on the operations of the Centre which is being created to assist members in healing from past traumas.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

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.

17. Economic dependence

Muskowekwan First Nation receives a significant portion of its revenues from the Government of Canada as a result of Treaties entered into with the Crown in Right of Canada. These Treaties are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue to provide programming and essential services is dependent upon Canada's continued financial commitments as guaranteed by these Treaties.

18. Budget information

| | Approved budget | Adjustments | Budget per consolidated financial statements |
|---------------------------------|--------------------|----------------|---|
| Statement of operations | | | |
| Revenues | 12,504,671 | - | 12,504,671 |
| Expenses | 13,213,341 | (697,000) | 12,515,741 |
| Annual surplus (deficit) | (708,670) | 697,000 | (11,070) |

The budget information disclosed was prepared and approved in March 2021 by management and Chief and Council. The approved budget included in expenses \$697,000 of principal repayments on long-term debt. This amount has been adjusted to present the budget information in accordance with Canadian public sector accounting standards.



Muskowekwan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

19. Indigenous Services Canada (ISC) reconciliation

| | |
|--------------------------------------|-------------------------------|
| ISC funding per confirmation | 11,713,661 |
| Add: | |
| Deferred revenue - beginning of year | 371,959 |
| Deduct: | |
| Deferred revenue - end of year | (1,546,700) |
| | <hr/> 10,538,920 <hr/> |

20. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.



Muskowekwan First Nation

Consolidated Schedule of Expenses by Object

For the year ended March 31, 2021

| | 2021 Budget (Note 18) | 2021 Actual | 2020 Actual |
|---|--------------------------------------|------------------------|------------------------|
| Salaries and benefits | 2,800,464 | 3,440,442 | 3,298,810 |
| Social assistance | 1,072,587 | 1,741,636 | 1,281,737 |
| Amortization | 520,000 | 1,499,125 | 1,447,511 |
| Pandemic expenses | - | 1,188,226 | - |
| Repairs and maintenance | 708,328 | 1,156,687 | 841,457 |
| Contracted services | 1,375,252 | 1,031,511 | 1,413,800 |
| Flow through to Touchwood Post Secondary Program Inc. | 597,699 | 697,699 | 688,758 |
| Tuition | 1,051,180 | 639,573 | 692,464 |
| School supplies | 126,394 | 638,318 | 301,074 |
| Honouraria | 612,180 | 585,480 | 820,273 |
| Community support | 55,963 | 560,623 | 1,194,114 |
| Project startup costs | - | 381,663 | 74,668 |
| Travel | 441,645 | 372,192 | 552,694 |
| Cost of sales | 1,600,000 | 369,382 | 1,139,979 |
| Insurance | 313,500 | 327,390 | 238,476 |
| Youth and elder activities | 42,000 | 241,847 | 307,556 |
| Utilities | 159,200 | 177,267 | 195,120 |
| Professional fees | 115,000 | 155,438 | 174,079 |
| Vehicle | 78,208 | 122,456 | 108,672 |
| Professional development | 93,168 | 89,397 | 76,940 |
| Office supplies | 85,250 | 88,725 | 239,990 |
| Interest on long-term debt | 102,000 | 88,016 | 135,753 |
| Administration | 113,544 | 87,655 | 26,681 |
| Telephone | 63,400 | 61,420 | 74,520 |
| Student expenses | 68,200 | 59,138 | 159,457 |
| Bank charges and interest | 112,670 | 56,027 | 99,735 |
| Property tax | 80,000 | 55,259 | 92,347 |
| Funeral | - | 52,165 | 51,556 |
| Training | 81,474 | 37,557 | 119,660 |
| Office equipment | 16,000 | 33,552 | 37,750 |
| Rent | - | 10,938 | 96,033 |
| Cultural | 14,686 | 6,288 | 14,402 |
| Bad debts | - | 6,129 | 86,845 |
| Program expense | 11,349 | 3,734 | 12,969 |
| Miscellaneous | - | 1,500 | 1,500 |
| Cash (over) short | - | 310 | 1,122 |
| Advertising | 4,400 | - | 10,095 |
| Management fees | - | - | 23,767 |
| | 12,515,741 | 16,064,765 | 16,132,364 |



**Muskowekwan First Nation
Ottawa Trust Funds**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2021

| | 2021 | 2020 |
|-----------------------------------|-----------------|-------------|
| Revenues | | |
| Leases | 41,746 | 41,940 |
| Interest | 3,601 | 6,600 |
| Surplus before transfers | 45,347 | 48,540 |
| Transfers between programs | (82,000) | (145,358) |
| Annual surplus (deficit) | (36,653) | (96,818) |



Muskowekwan First Nation
Government Business Enterprises
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2021

| | <i>2021</i> | <i>2020</i> |
|--|----------------|-------------|
| Revenue | | |
| Earnings from investments in government business enterprises | 313,844 | 165,378 |
| Annual surplus (deficit) | 313,844 | 165,378 |



Muskowekwan First Nation Band Government

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2021

| | 2021 | 2020 |
|--|------------------|------------------|
| Revenues | | |
| Indigenous Services Canada | 1,799,536 | 718,858 |
| Other | 566,300 | 564,553 |
| First Nations Trust | 429,156 | 589,263 |
| Touchwood Agency Tribal Council | 155,560 | 14,311 |
| Investment income | 150,000 | - |
| Dakota Dunes Community Development Corporation | 101,565 | 339,396 |
| Touchwood Child & Family Services Inc. | 68,950 | 46,353 |
| Interest | 2,190 | 3,755 |
| | 3,273,257 | 2,276,489 |
| Expenses | | |
| Pandemic expenses | 939,118 | - |
| Honouraria | 511,287 | 703,438 |
| Salaries and benefits | 323,672 | 335,929 |
| Contracted services | 252,770 | 295,203 |
| Youth and elder activities | 231,565 | 275,907 |
| Community support | 182,018 | 491,473 |
| Insurance | 168,202 | 72,915 |
| Travel | 143,245 | 259,023 |
| Professional fees | 113,658 | 136,741 |
| Funeral | 51,665 | 51,556 |
| Vehicle | 19,925 | 3,066 |
| Telephone | 15,796 | 30,651 |
| Bank charges and interest | 13,830 | 66,940 |
| Interest on long-term debt | 12,380 | 61,463 |
| Office supplies | 11,608 | 131,560 |
| Utilities | 11,321 | 5,498 |
| Cultural | 5,430 | 13,260 |
| Bad debts | 5,179 | 86,845 |
| Repairs and maintenance | 4,649 | 10,394 |
| Rent | 4,085 | 96,033 |
| Professional development | 3,570 | 9,150 |
| Office equipment | 2,325 | 11,880 |
| Program expense | 1,700 | - |
| Administration | (15,474) | (36,113) |
| | 3,013,524 | 3,112,812 |
| Annual surplus (deficit) | 259,733 | (836,323) |



Muskowekwan First Nation Capital

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2021

| | 2021 | 2020 |
|---------------------------------|------------------|----------------|
| Revenues | | |
| Indigenous Services Canada | 1,441,054 | 505,190 |
| Rental income | 118,541 | 101,066 |
| Other | 8,353 | 12,002 |
| CMHC | - | 81,107 |
| | 1,567,948 | 699,365 |
| Expenses | | |
| Repairs and maintenance | 675,215 | 334,561 |
| Contracted services | 63,373 | 25,891 |
| Salaries and benefits | 56,469 | 31,342 |
| Utilities | 16,590 | 12,230 |
| Travel | 14,351 | 10,388 |
| Bank charges and interest | 10,196 | 10,254 |
| Office supplies | 746 | 907 |
| Vehicle | 258 | 186 |
| Insurance | - | 70,000 |
| Honouraria | - | 8,000 |
| Administration | (32,478) | - |
| | 804,720 | 503,759 |
| Annual surplus (deficit) | 763,228 | 195,606 |



Muskowekwan First Nation
Community Infrastructure
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2021

| | 2021 | 2020 |
|---------------------------------|------------------|-------------|
| Revenues | | |
| Indigenous Services Canada | 821,135 | 491,560 |
| Rental income | 8,465 | 15,100 |
| Other | 8,005 | 113,566 |
| | 837,605 | 620,226 |
| Expenses | | |
| Amortization | 360,461 | 390,055 |
| Contracted services | 227,789 | 298,890 |
| Repairs and maintenance | 152,678 | 111,413 |
| Salaries and benefits | 112,293 | 97,606 |
| Utilities | 67,966 | 78,202 |
| Vehicle | 42,701 | 42,775 |
| Travel | 18,963 | 28,177 |
| Office supplies | 11,706 | 27,540 |
| Telephone | 1,063 | 821 |
| Bank charges and interest | 490 | 562 |
| Professional development | 150 | - |
| | 996,260 | 1,076,041 |
| Annual surplus (deficit) | (158,655) | (455,815) |



Muskowekwan First Nation Education

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2021

| | 2021 | 2020 |
|---|------------------|------------------|
| Revenues | | |
| Indigenous Services Canada | 4,208,136 | 3,552,191 |
| Touchwood Agency Tribal Council | 402,219 | 418,965 |
| Other | 212,531 | 152,426 |
| First Nations & Inuit Health Branch | 67,200 | - |
| Interest | 137 | - |
| | 4,890,223 | 4,123,582 |
| Expenses | | |
| Salaries and benefits | 2,027,492 | 1,920,747 |
| Flow through to Touchwood Post Secondary Program Inc. | 697,699 | 688,758 |
| Tuition | 639,573 | 692,464 |
| School supplies | 638,318 | 301,074 |
| Amortization | 284,140 | 290,407 |
| Contracted services | 259,758 | 272,523 |
| Professional development | 74,400 | 37,652 |
| Repairs and maintenance | 68,083 | 86,803 |
| Student expenses | 59,138 | 150,257 |
| Utilities | 37,697 | 48,273 |
| Professional fees | 22,000 | 9,975 |
| Travel | 20,760 | 38,431 |
| Office equipment | 19,387 | 14,722 |
| Vehicle | 6,583 | 14,436 |
| Telephone | 6,079 | 5,242 |
| Insurance | 5,193 | 3,087 |
| Bank charges and interest | 5,042 | 3,268 |
| Honouraria | 4,043 | 13,537 |
| Training | 75 | - |
| Rent | (5,147) | - |
| | 4,870,313 | 4,591,656 |
| Annual surplus (deficit) | 19,910 | (468,074) |



Muskowekwan First Nation Lands

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2021

| | 2021 | 2020 |
|-----------------------------------|------------------|------------------|
| Revenues | | |
| Indigenous Services Canada | 186,423 | 144,972 |
| Leases | 232,447 | 209,394 |
| Interest | 23,875 | 22,065 |
| Other | 7,530 | 60,765 |
| Rental income | 5,355 | 13,000 |
| | 455,630 | 450,196 |
| Expenses | | |
| Community support | 201,620 | 192,363 |
| Salaries and benefits | 114,305 | 107,960 |
| Contracted services | 88,932 | 113,423 |
| Travel | 70,671 | 91,353 |
| Honouraria | 69,350 | 95,298 |
| Property tax | 54,702 | 92,347 |
| Office supplies | 9,049 | 2,938 |
| Telephone | 8,751 | 8,727 |
| Professional development | 8,652 | 4,401 |
| Utilities | 7,447 | 9,500 |
| Repairs and maintenance | 5,938 | 19,932 |
| Administration | 4,869 | - |
| Professional fees | 4,012 | 3,922 |
| Bank charges and interest | 2,965 | 8,931 |
| Vehicle | 2,762 | 4,678 |
| Advertising | - | 413 |
| Student expenses | - | 9,200 |
| | 654,025 | 765,386 |
| Deficit before transfers | (198,395) | (315,190) |
| Transfers between programs | 82,000 | 145,358 |
| Annual surplus (deficit) | (116,395) | (169,832) |



Muskowekwan First Nation
Social Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2021

| | 2021 | 2020 |
|---------------------------------|------------------|------------------|
| Revenues | | |
| Indigenous Services Canada | 1,922,593 | 1,501,671 |
| Touchwood Agency Tribal Council | 274,417 | 75,220 |
| Other | - | 10,475 |
| | 2,197,010 | 1,587,366 |
| Expenses | | |
| Social assistance | 1,681,297 | 1,265,380 |
| Salaries and benefits | 253,860 | 157,991 |
| Training | 37,482 | 115,286 |
| Contracted services | 35,212 | 96,571 |
| Pandemic expenses | 34,490 | - |
| Travel | 19,241 | 13,266 |
| Administration | 12,000 | - |
| Community support | 8,088 | 11,189 |
| Office supplies | 5,552 | 1,591 |
| Bank charges and interest | 5,013 | 3,227 |
| Repairs and maintenance | 3,872 | 27 |
| Office equipment | 3,000 | - |
| Vehicle | 361 | 103 |
| Telephone | 100 | - |
| | 2,099,568 | 1,664,631 |
| Annual surplus (deficit) | 97,442 | (77,265) |



Muskowekwan First Nation Health

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2021

| | 2021 | 2020 |
|-------------------------------------|------------------|------------------|
| Revenues | | |
| Indigenous Services Canada | 55,704 | 33,427 |
| First Nations & Inuit Health Branch | 1,310,402 | 961,736 |
| Touchwood Agency Tribal Council | 297,267 | 172,941 |
| Other | 32,792 | 67,868 |
| Interest | 207 | 673 |
| | 1,696,372 | 1,236,645 |
| Expenses | | |
| Salaries and benefits | 423,347 | 462,479 |
| Pandemic expenses | 214,618 | - |
| Amortization | 104,410 | 91,848 |
| Contracted services | 103,677 | 178,025 |
| Community support | 98,827 | 225,254 |
| Social assistance | 60,339 | 16,357 |
| Travel | 52,387 | 89,189 |
| Vehicle | 49,866 | 43,428 |
| Office supplies | 44,503 | 53,247 |
| Administration | 37,094 | - |
| Repairs and maintenance | 29,413 | 13,641 |
| Telephone | 19,483 | 26,107 |
| Insurance | 15,846 | 437 |
| Rent | 12,000 | - |
| Youth and elder activities | 10,282 | 31,649 |
| Utilities | 9,439 | 9,890 |
| Office equipment | 8,840 | 11,148 |
| Professional development | 2,625 | 25,737 |
| Program expense | 2,034 | 12,969 |
| Bank charges and interest | 1,773 | 4,196 |
| Cultural activities | 858 | 1,142 |
| Honouraria | 800 | - |
| Property tax | 557 | - |
| Funeral | 500 | - |
| Training | - | 149 |
| Advertising | - | 3,982 |
| | 1,303,518 | 1,300,874 |
| Annual surplus (deficit) | 392,854 | (64,229) |



Muskowekwan First Nation
Economic Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2021

| | 2021 | 2020 |
|---------------------------------|-----------------|-------------|
| Revenues | | |
| Indigenous Services Canada | 104,339 | 23,935 |
| Touchwood Agency Tribal Council | 60,000 | 60,000 |
| Other | 12,840 | 178,857 |
| | 177,179 | 262,792 |
| Expenses | | |
| Amortization | 137,322 | 137,322 |
| Salaries and benefits | 43,000 | - |
| Administration | 14,200 | - |
| Community support | 2,800 | 19,950 |
| Contracted services | - | 133,274 |
| | 197,322 | 290,546 |
| Annual surplus (deficit) | (20,143) | (27,754) |



Muskowekwan First Nation
Housing

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2021

| | 2021 | 2020 |
|---------------------------------|------------------|-------------|
| Revenues | | |
| CMHC | 475,940 | 385,112 |
| Rental income | 387,778 | 357,012 |
| Other | 25,065 | - |
| Interest | 2,286 | 3,243 |
| | 891,069 | 745,367 |
| Expenses | | |
| Amortization | 612,792 | 535,948 |
| Repairs and maintenance | 165,502 | 219,631 |
| Insurance | 123,975 | 83,997 |
| Interest on long-term debt | 75,636 | 74,290 |
| Administration | 67,444 | 62,794 |
| Professional fees | 9,463 | 9,791 |
| | 1,054,812 | 986,451 |
| Annual surplus (deficit) | (163,743) | (241,084) |



Muskowekwan First Nation
Muskowekwan Gaming Inc.
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2021

| | 2021 | 2020 |
|--|----------------|------------------|
| Revenues | | |
| Gaming | 588,073 | 1,427,056 |
| Rental income | 61,602 | 61,552 |
| Indigenous Gaming Regulators | 30,159 | 131,992 |
| Dakota Dunes Community Development Corporation | 25,000 | - |
| Other | 8,628 | 39,966 |
| | 713,462 | 1,660,566 |
| Expenses | | |
| Cost of sales | 369,382 | 1,139,979 |
| Salaries and benefits | 86,004 | 184,756 |
| Community support | 67,270 | 253,885 |
| Repairs and maintenance | 51,337 | 45,055 |
| Travel | 32,574 | 22,867 |
| Utilities | 26,807 | 31,527 |
| Insurance | 14,174 | 8,040 |
| Telephone | 10,148 | 2,972 |
| Professional fees | 6,305 | 13,650 |
| Office supplies | 5,561 | 22,207 |
| Bank charges and interest | 2,973 | 2,357 |
| Miscellaneous | 1,500 | 1,500 |
| Bad debts | 950 | - |
| Cash (over) short | 310 | 1,122 |
| Amortization | - | 1,931 |
| Training | - | 4,225 |
| Advertising | - | 5,700 |
| Management fees | - | 23,767 |
| | 675,295 | 1,765,540 |
| Annual surplus (deficit) | 38,167 | (104,974) |



Muskowekwan First Nation
Muskowekwan Family Healing & Wellness Centre Inc.
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2021

| | 2021 | 2020 |
|-------------------------------------|----------------|-------------|
| Revenue | | |
| Deferred revenue - prior year | 183,287 | - |
| CANDO | 181,182 | 257,955 |
| First Nations & Inuit Health Branch | 125,000 | - |
| Other | 38,500 | - |
| Deferred revenue - current year | - | (183,287) |
| | 527,969 | 74,668 |
| Expenses | | |
| Project startup costs | 381,663 | 74,668 |
| Bank charges and interest | 13,745 | - |
| | 395,408 | 74,668 |
| Annual surplus (deficit) | 132,561 | - |