

Ocean Man First Nation
Consolidated Financial Statements
March 31, 2022



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Management's Responsibility



To the Members of Ocean Man First Nation:

The accompanying consolidated financial statements of Ocean Man First Nation are the responsibility of management and have been approved by 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.

The Ocean Man First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council who also acts as management fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the consolidated financial statements and report directly to the Members of Ocean Man First Nation #69; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

June 1, 2023

(Signature on file)

Chief

(Signature on file)

Councillor

Independent Auditor's Report

To the Members of Ocean Man First Nation:

Qualified Opinion

We have audited the consolidated financial statements of Ocean Man First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules for the year ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Generally accepted accounting principles require the presentation of budget information for comparison to the First Nation's revenues and expenditures. The consolidated budgeted revenues and expenditures and surplus (deficit) have not been reported in these consolidated financial statements. The effect of this departure from generally accepted accounting principles is a disclosure omission that has no effect on reported revenues, expenditures and annual surplus for the year ended March 31, 2022.

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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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)*

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.

Prince Albert, Saskatchewan

June 1, 2023

MNP LLP
Chartered Professional Accountants

Ocean Man First Nation
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Current		
Cash and cash equivalents (Note 3)	5,832,154	5,315,867
Accounts receivable (Note 4)	759,739	727,302
Member advances (Note 5)	-	2,560
Subtotal of current assets	6,591,893	6,045,729
Restricted cash (Note 6)	1,024,193	826,215
Funds held in trust (Note 7)	7,654,917	6,628,418
Portfolio investments (Note 8)	25	4,218
Debt Reserve Fund - First Nation Finance Authority (Note 9)	115,807	114,056
Investment in Nation business entities (Note 10)	2,343,219	1,201,334
Total financial assets	17,730,054	14,819,970
Liabilities		
Current		
Accounts payable and accruals	173,494	105,442
Deferred revenue (Note 11)	837,499	796,843
Treaty Land Entitlement loan funding (Note 12)	106,903	106,903
Current portion of long-term debt (Note 13)	244,595	239,299
Subtotal of current liabilities	1,362,491	1,248,487
Long-term debt (Note 13)	3,098,751	3,340,411
Total financial liabilities	4,461,242	4,588,898
Net financial assets	13,268,812	10,231,072
Subsequent events (Note 21)		
Non-financial assets		
Tangible capital assets	13,038,430	13,011,318
Prepaid expenses and deposits	62,097	199,933
Total non-financial assets	13,100,527	13,211,251
Accumulated surplus (Note 14)	26,369,339	23,442,323

Approved on behalf of the First Nation

(Signature on file)

Chief

(Signature on file)

Councillor

Ocean Man First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	<i>Schedules</i>	2022	2021
Revenue			
Federal government funding (Note 19)			
Canada Mortgage and Housing Corporation	175,460	175,457	
Indigenous Services Canada			
Indigenous Services Canada - NFR Grant	3,259,090	2,732,429	
Indigenous Services Canada - Flexible	1,097,348	951,508	
Deferred revenue, beginning of year	796,843	-	
Indigenous Services Canada - Fixed	785,024	1,060,354	
Indigenous Services Canada - Set	57,300	-	
Deferred revenue, end of year	(837,499)	(34,498)	
Indigenous Services Canada - Grant	-	25,497	
Royalty and mineral lease bonuses	5,333,566	4,910,747	
Land leases	714,959	42,404	
Yorkton Tribal Administration Inc.	616,226	538,771	
Other	605,444	608,508	
Surface leases and right-of-way	180,645	385,194	
Interest income	170,223	65,963	
Painted Hand Community Development Corporation	141,317	75,961	
Oil, gas and seismic	117,614	27,672	
First Nations Trust	102,517	95,805	
Rental income	99,203	129,480	
Distribution from PHC Holdings Limited Partnership	77,522	70,653	
Taxation bylaw	61,053	-	
Yorkton Tribal Council Child & Family Services	58,892	52,288	
Saskatchewan Indigenous Cultural Centre	45,640	-	
	24,648	81,557	
	8,349,469	7,085,003	
Program expenses			
Band Government	3	927,484	885,303
Band Project Revenue	4	377,519	529,518
Capital	5	313,644	322,759
Community Infrastructure	6	703,976	701,370
Education	7	2,352,948	2,007,899
Health	8	454,023	262,775
Reserves and Trusts	9	158,681	167,656
Social Services	10	231,671	317,165
	5,519,946	5,194,445	
Surplus before other items		2,829,523	1,890,558
Other income (expense)			
Earnings (loss) from investment in Nation business	82,693	(137,640)	
Gain on disposal of capital assets	14,800	-	
Surplus		2,927,016	1,752,918
Accumulated surplus, beginning of year		23,442,323	21,689,405
Accumulated surplus, end of year (Note 14)		26,369,339	23,442,323

Ocean Man First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2022

	2022	2021
Surplus	2,927,016	1,752,918
Purchases of tangible capital assets	(462,327)	(426,778)
Amortization of tangible capital assets	428,015	437,154
Gain on sale of tangible capital assets	(14,800)	-
Proceeds of disposal of tangible capital assets	22,000	-
Acquisition of prepaid expenses, gross	(27,112)	10,376
Use of prepaid expenses, gross	-	(142,372)
	137,836	-
Increase in net financial assets	3,037,740	1,620,922
Net financial assets, beginning of year	10,231,072	8,610,150
Net financial assets, end of year	13,268,812	10,231,072

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

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Surplus	2,927,016	1,752,918
Non-cash items		
Amortization	428,015	437,154
Gain on disposal of capital assets	(14,800)	-
	3,340,231	2,190,072
Changes in:		
Accounts receivable	(32,437)	(180,017)
Due from members	2,560	3,113
Prepaid expenses and deposits	137,836	(142,372)
Accounts payable and accruals	68,052	13,999
Deferred revenue	40,656	(23,554)
	3,556,898	1,861,241
Financing activities		
Advances of long-term debt	-	2,267,000
Repayment of long-term debt	(236,364)	(209,587)
	(236,364)	2,057,413
Capital activities		
Purchases of tangible capital assets	(462,327)	(426,778)
Proceeds of disposal of tangible capital assets	22,000	-
	(440,327)	(426,778)
Investing activities		
Partnership equity withdrawal from PHC Holdings Limited Partnership (Note 10)	4,193	77,512
Transfer to restricted cash	(197,978)	68,306
Net change in Debt Reserve Fund - FNFA	(1,751)	(114,056)
Investment in Nation business entities	(1,141,885)	(1,101,334)
Increase in funds held in trust	(1,026,499)	(184,328)
	(2,363,920)	(1,253,900)
Increase in cash resources	516,287	2,237,976
Cash resources, beginning of year	5,315,867	3,077,891
Cash resources, end of year	5,832,154	5,315,867

1. Operations

The Ocean Man First Nation #69 (the "First Nation") is located in the Province of Saskatchewan, and provides various services to its members. The Ocean Man First Nation #69 financial reporting entity includes the operations of the First Nation and all related entities which are controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements have been, prepared in accordance with Canadian public sector accounting standards set out in the CPA Canada Handbook - Public Sector Accounting as issued by the Accounting Standards Board in Canada 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, except for First Nation business entities.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Ocean Man First Nation #69;
- Ocean Man First Nation Housing Authority;
- Lost Horse Hills Ranch Inc;
- Ocean Man Developments Inc. (Inactive); and,
- Ocean Man Developments LP.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Lost Horse Hills Ranch Inc. reports using a fiscal year-end of October 31 compared to the First Nation fiscal year-end of March 31. The operating result of Lost Horse Hills Ranch Inc. are included in the consolidated financial statements using its year-end date of October 31.

Under the modified equity method of accounting, only Ocean Man 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 Ocean Man First Nation.

Organizations accounted for by the modified equity basis include:

Second Wind Power Inc.

Second Wind Power Limited Partnership

Other economic interests

The First Nation is a member of Yorkton Tribal Council (YTC). YTC is an organization of six Nations. YTC's mandate is to enhance the services provided to member Nations.

The First Nation is also a member of Yorkton Tribal Council Child and Family Services Inc. (YTCCFS). The mandate of YTCCFS is to provide child and family protection and prevention services on reserve to the members.

Basis of presentation

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenditures 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.

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

Cash and cash equivalents

Cash and cash equivalents includes balances with banks and short-term investments. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Restricted cash

Restricted cash consists of funds held in the CMHC replacement reserve and operating reserve bank accounts, lawyers trust, as well as funds managed by a project manager. The CMHC reserves are used to pay eligible expenditures of the CMHC housing units, lawyers trust funds to be disbursed in accordance with trust requirements, and the project manager is responsible for completion of capital projects.

Portfolio investments

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

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible capital assets are recorded at their fair value at the date of contribution. Land purchased is recorded at purchase price plus acquisition costs.

Amortization

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

	Rate
Buildings	25 years
CMHC housing	40 years
First Nation housing	40 years
Water and sewer infrastructure	10-50 years
Vehicles and equipment	5 years
Computer equipment	4 years
Furniture and fixtures	5 years

Projects under construction are not amortized until they are put into use.

Funds held in Trust Fund

Funds held in trust on behalf of the First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions, the sale of land or other First Nation tangible capital assets; and,
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

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

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.

Net financial assets

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

Revenue recognition

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.

Non-government 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 are reflected as deferred revenue on the statement of financial position in the year of receipt.

Tax revenue

The First Nation recognizes taxes as assets and revenue when they meet the definition of an asset; are authorized by a legislative convention; and the taxable event has occurred.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the First Nation evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

Other revenue

Lease revenue is recognized over the lease term. Other revenue are earned from services provided by the First Nation and are recognized when the service has been provided.

Funds held in Trust Fund

Due to measurement uncertainty, revenue related to funds held in the Trust Fund is recognized when amounts can be reasonably estimated and collectability is known.

2. Significant accounting policies (Continued from previous page)
Measurement uncertainty

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 revenue and expenditures during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods 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. Legal provisions are recorded when the likelihood of loss and amount of settlement can be determined. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites for which the First Nation is responsible.

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount 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.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation will not recognize any liability as it is not expected any economic benefit will be given up. No liabilities for contaminated sites have been reported in these financial statements.

Segments

The First Nation conducts its business through 8 reportable segments: Band Government, Band Project Revenue, Capital, Community Infrastructure, Education, Health, Reserves and Trusts, and Social Services. These operating segments are established by Chief and Council to facilitate the achievement of the First Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent 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.

3. Cash and cash equivalents

	2022	2021
Cash in bank	4,540,014	4,024,867
Term deposits, bearing interest at 0.30%, maturing April 3, 2022	1,207,140	1,206,000
Term deposits, bearing interest at 0.65% maturing in October and November 2022	85,000	85,000
	5,832,154	5,315,867

4. Accounts receivable

	2022	2021
Other	37,346	26,211
Goods and Services Tax	67,059	67,117
Canada Mortgage and Housing Corporation - subsidy	453,040	277,580
Indigenous Services Canada	-	124,329
Painted Hand Community Development Corporation	32,312	10,094
First Nation Trust	99,203	97,110
Land leases	19,200	-
Yorkton Tribal Council	103,444	170,009
Rent revenue	15,100	21,817
Less: allowance for doubtful accounts	826,704	794,267
	<u>(66,965)</u>	<u>(66,965)</u>
	759,739	727,302

5. Member advances

Advances due from members are unsecured, non-interest bearing and without fixed terms of repayment.

	2022	2021
Amounts due from members	199,080	206,417
Allowance for doubtful accounts	<u>(199,080)</u>	<u>(203,857)</u>
	-	2,560

6. Restricted cash

	2022	2021
Project management bank account	303,246	103,246
CMHC reserve bank account	321,397	321,397
MLT - Funds Held in Lawyers' Trust Account	399,550	401,572
	1,024,193	826,215

Project management bank account consists of cash managed by capital project managers who are responsible for payment of expenses relating to capital projects funded by ISC. Funds held in the CMHC replacement reserve bank account are to be used to pay eligible expenditures of the CMHC housing units. Funds held in lawyers' trust account are disbursed in accordance with the terms of the funds held in trust.

7. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the First Nation's Council, with the consent of the Minister of Indigenous Services Canada.

	2022	2021
Capital Trust		
Balance, beginning of year	5,851,078	5,808,674
Royalties and mineral lease	714,959	42,404
 Balance, end of year	6,566,037	5,851,078
Revenue Trust		
Balance, beginning of year	777,340	635,416
Interest	141,317	75,961
Surface leases and right-of-way	170,223	65,963
 Balance, end of year	1,088,880	777,340
 7,654,917	6,628,418	

8. Portfolio investments

	2022	2021
Measured at cost:		
PHC Holdings Limited Partnership - 14.28%	25	4,218

The Nation's portfolio investments are in entities which are not traded publicly and for which no active market exists to determine fair value. As such, no fair value of portfolio investment has been provided. The Nation has reported the investments at cost.

9. Debt Reserve Fund - FNFA

The First Nation Finance Authority ("FNFA") holds a 5% deposit on loans issued to the Nation.

	2022	2021
Principal on deposit	113,350	113,350
Interest	2,457	706
 115,807	114,056	

10. Investments in partnerships and government business entities

The Nation holds a 99.96% ownership interest in Ocean Man Developments LP. Ocean Man Developments LP was established on October 21, 2016. The operations of Ocean Man Developments LP include a 5.99% ownership interest in Tomahawk Energy Services LP. The investment in Ocean Man Developments LP has been fully consolidated within the financial statements. The general partner Ocean Man Developments Inc. holds a 0.04% interest in Ocean Man Developments LP.

The Nation holds a 99.96% ownership interest in Second Wind Power Limited Partnership. Second Wind Power LP was established on August 28, 2020. The operations of Second Wind Power LP include electric power generation, transmission and distribution. The investment in Second Wind Power LP has been accounted for in accordance with the modified equity method. The general partner Second Wind Power Inc. holds a 0.04% interest in Second Wind Power LP.

The First Nation has investments in the following entities:

	<i>Opening balance</i>	<i>Contributions</i>	<i>Undistributed Earnings</i>	<i>Cost reimbursed</i>	<i>2022 Ending balance</i>
Business Partnerships and Wholly-owned – Modified Equity:					
Second Wind Power Limited Partnership - (99.96%)	1,101,389	1,064,692	82,660	(5,500)	2,243,241
Second Wind Power Inc. - (100%)	(55)	-	33	-	(22)
Ocean Man Developments LP - (100%)	100,000	-	-	-	100,000
	1,201,334	1,064,692	82,693	(5,500)	2,343,219

Continued on next page

The First Nation's investment in Second Wind Power Limited Partnership was established for the purposes of maintaining business entities operated on the Nation.

10. Investments in First Nation partnerships and business entities *(Continued from previous page)*

Summary financial information for each business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Second Wind Power LP As at December 31, 2021</i>	<i>Second Wind Power LP As at December 31, 2020</i>
Assets		
Cash	133,909	797
Marketable securities	25,000	-
Accounts receivable	8,878	-
Prepaid insurance	2,667	-
Property, plant and equipment	2,132,947	919,118
Total assets	2,303,401	919,915
Liabilities		
Accounts payable and accruals	17,439	-
Provision for decommissioning costs	41,743	-
Total liabilities	59,182	-
Partners' Capital	2,244,219	919,915
Total revenue	143,731	-
Total expenses	61,038	137,640
Net income	82,693	(137,640)
Comprehensive income	82,693	(137,640)

11. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
ISC new school feasibility study	80,000	-	-	80,000
ISC sewage pump station	10,591	200,000	-	210,591
ISC housing	296,612	-	296,612	-
Capital projects - contingency fund	22,713	-	-	22,713
Non-capital deferred revenue	386,927	633,946	496,678	524,195
	796,843	833,946	793,290	837,499

12. Treaty Land Entitlement loan funding

The First Nation is seeking compensation for failure of the Crown to provide certain benefits. The balance payable represents funds advanced via Promissory Notes by the Government of Canada to the First Nation to finance its costs to pursue the claim. The promissory notes are non-interest bearing and are to be repaid by the earlier of March 31, 2022 or the date on which the claim is settled.

13. Long-term debt

The following loans are secured by ministerial 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:

CMHC Phase	<i>Monthly Payment Including Interest</i>	<i>Interest Rate</i>	<i>Renewal Date</i>	2022	2022
I	-	-	-	-	-
IV	1,090	1.88%	1-Jan-2027	60,381	72,350
V	1,125	2.68%	1-Oct-2023	79,564	90,785
VI	1,772	1.13%	1-May-2026	86,490	106,649
VII	4,175	2.68%	1-Oct-2023	298,684	340,219
VIII	2,990	1.13%	1-Jun-2026	317,670	349,762
IX	3,310	2.68%	1-Oct-2023	390,613	419,505
				1,233,403	1,379,270
First Nation Financial Authority - Bond Series bearing interest at 2.5% repayable in monthly blended principal and interest installments of \$12,288, matures June 16, 2030; secured by First Nation Trust and land lease revenues.				2,109,943	2,200,440
				3,343,346	3,579,710
Less: current portion				244,595	239,299
				3,098,751	3,340,411

Principal repayments on long-term debt in each of the next five years, assuming loans are renewed at similar rates and terms, are estimated as follows:

2023	244,595
2024	250,074
2025	255,684
2026	261,430
2027	247,375

14. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Equity in Ottawa Trust Funds (Note 7):		
Balance, beginning of year	6,628,418	6,444,090
Royalties, interest, lease, and other revenue	1,026,499	184,328
	7,654,917	6,628,418
Equity in CMHC reserves (Note 15):		
Balance, beginning of year	484,296	439,102
Reserve allocation	40,300	40,300
Interest	-	6,769
Withdrawals	(1,028)	(1,875)
	523,568	484,296
Equity in tangible capital assets:		
Balance, beginning of year	11,632,049	11,499,398
Acquisition of tangible capital assets	462,327	426,778
Repayment of long-term debt	145,867	143,027
Amortization	(428,015)	(437,154)
Gain (loss) on disposal of tangible capital assets	14,800	-
Proceeds on disposal of tangible capital assets	(22,000)	-
	11,805,028	11,632,049
Equity in Native Claims loan:		
Balance, beginning of year	(106,903)	(106,903)
Equity in portfolio investments & nation business entities:		
Balance, beginning of year	(994,888)	181,730
Earnings (loss)	82,693	(137,640)
Advances of long-term debt	-	(2,267,000)
Repayment of long-term debt	90,497	66,560
Contributions	1,064,692	1,238,974
Withdrawals	(9,693)	(77,512)
	233,301	(994,888)
Unrestricted surplus:		
Balance, beginning of year	5,799,351	3,231,988
Transfer from (to) equity in Ottawa Trust Funds	(1,026,499)	(184,328)
Transfer to equity in CMHC reserves	(39,272)	(45,194)
Transfer from tangible capital assets	(172,979)	(132,651)
Transfer from (to) equity in portfolio investment & nation business entities	(1,228,189)	1,176,618
Annual surplus (deficit)	2,927,016	1,752,918
	6,259,428	5,799,351
	26,369,339	23,442,323

The First Nation does not have a moveable assets reserve.

15. Equity in CMHC Reserves

Operating Reserve

The First Nation's CMHC Housing Program receives funding 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.

At March 31, 2022 \$nil (2021 - \$nil) is required to be on deposit to fund this reserve. The unfunded portion at March 31, 2022 is \$nil (2021 - \$nil).

Replacement Reserve

As required as part of the First Nation's CMHC Housing Program, a replacement reserve has been established for replacement of capital equipment and for major repairs to the houses.

At March 31, 2022 \$523,568 (2021 - \$484,296) is required to be on deposit to fund this reserve. The unfunded portion at March 31, 2022 is \$234,671 (2021 - underfunded \$195,399).

16. Credit arrangements

At March 31, 2022, the First Nation had a line of credit totaling \$250,000, none of which was drawn. This line of credit has an interest rate of 3.7% and is secured by assignment of government funding.

17. Segments

During the year, the First Nation had 8 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Band Government - includes administration and governance activities.

Band Project Revenue - other band programs not funded by ISC or FNIHB.

Capital - reports on capital projects.

Community Infrastructure - includes activities for the maintenance of the community and its infrastructure.

Education - includes the operations of education programs.

Health - includes the administration and delivery of the health programs.

Reserves and Trusts - includes activities for the development of the First Nation's land.

Social Services - activities include delivering social programs.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 3.

Details of the segment revenue and expenses are provided in the accompanying schedules. There are no revenue or expenses that have not been allocated to a segment.

18. Economic dependence

Ocean Man First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the *Indian Act*. 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.

19. Federal government funding reconciliation

	2022	2021
Indigenous Services Canada		
Balance per ISC confirmation	5,259,272	4,769,789
Less: 2021/22 Q3XJ Construction funds not received at year end	(60,510)	-
	5,198,762	4,769,789
Balance per Statement of Operations - ISC, NFR Grant	3,259,090	2,732,429
Balance per Statement of Operations - ISC, Flexible	1,097,348	951,508
Balance per Statement of Operations - ISC, Fixed	785,024	1,060,354
Balance per Statement of Operations - ISC, Set	57,300	-
Balance per Statement of Operations - ISC, Grant	-	25,497
Reconciled balance	5,198,762	4,769,789

20. Comparative figures

Certain figures on the 2021 consolidated financial statements have been reclassified to conform with the 2022 consolidated financial statement presentation.

21. Subsequent event

Subsequent to March 31, 2022, Ocean Man First Nation has acquired 3,125,000 warrant certificates at a cost of \$425,000, with the option to be converted to Class A shares in Buffalo Potash by July 20, 2023 at a rate of \$0.136 per share.

Ocean Man First Nation
Schedule 1 Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Buildings</i>	<i>CMHC housing</i>	<i>First Nation housing</i>	<i>Water and sewer infrastructure</i>	<i>Vehicles and equipment</i>	<i>Computer equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	5,317,323	4,604,690	1,001,201	1,320,463	509,862	136,228	12,889,767
Acquisition of tangible capital assets	-	-	777,443	-	13,705	-	791,148
Disposal of tangible capital assets	-	-	-	-	(36,000)	-	(36,000)
Balance, end of year	5,317,323	4,604,690	1,778,644	1,320,463	487,567	136,228	13,644,915
Accumulated amortization							
Balance, beginning of year	2,241,296	1,819,269	608,130	516,044	432,758	125,174	5,742,671
Annual amortization	197,282	115,117	44,589	33,427	25,379	3,685	419,479
Accumulated amortization on disposals	-	-	-	-	(28,800)	-	(28,800)
Balance, end of year	2,438,578	1,934,386	652,719	549,471	429,337	128,859	6,133,350
Net book value of tangible capital assets	2,878,745	2,670,304	1,125,925	770,992	58,230	7,369	7,511,565
Net book value of tangible capital assets 2021	3,076,027	2,785,421	393,071	804,419	77,104	11,054	7,147,096

The accompanying notes are an integral part of these financial statements

Ocean Man First Nation
Schedule 1 Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Subtotal</i>	<i>Furniture and fixtures</i>	<i>Land</i>	<i>Projects under construction</i>	2022	2021
Cost						
Balance, beginning of year	12,889,767	186,840	5,449,027	407,646	18,933,280	18,506,502
Acquisition of tangible capital assets	791,148	12,117	-	-	803,265	426,778
Disposal of tangible capital assets	(36,000)	-	-	(340,938)	(376,938)	-
Balance, end of year	13,644,915	198,957	5,449,027	66,708	19,359,607	18,933,280
Accumulated amortization						
Balance, beginning of year	5,742,671	179,291	-	-	5,921,962	5,484,808
Annual amortization	419,479	8,536	-	-	428,015	437,154
Accumulated amortization on disposals	(28,800)	-	-	-	(28,800)	-
Balance, end of year	6,133,350	187,827	-	-	6,321,177	5,921,962
Net book value of tangible capital assets	7,511,565	11,130	5,449,027	66,708	13,038,430	13,011,318
Net book value of tangible capital assets 2021	7,147,096	7,549	5,449,027	407,646	13,011,318	

The accompanying notes are an integral part of these financial statements

Ocean Man First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2022

	2022	2021
Contracted services	1,105,784	892,601
Salaries and benefits	1,038,533	821,905
Supplies	476,571	533,066
Amortization	428,015	437,154
Tuition	367,910	355,124
Professional fees	352,364	441,238
Repairs and maintenance	308,144	322,311
Honorarium and per diems	199,800	232,300
Land transaction management	173,485	155,074
Social assistance	168,838	188,953
Student allowance	164,600	135,010
Travel	126,603	122,593
Insurance	126,032	118,360
Utilities	109,248	95,136
Interest on long-term debt	86,268	74,437
Per capita distribution	81,900	46,800
Office supplies and training materials	51,701	39,424
Member assistance	43,840	48,536
Workshops and meetings	17,039	6,184
Taxation bylaws	14,090	3,140
Elders fees	12,456	6,725
Miscellaneous	10,962	-
Contribution	10,729	25,753
GST and sales tax	9,310	8,792
Community and cultural events	7,437	2,025
Equipment lease	6,027	6,260
Administration	4,075	7,200
Property taxes - LHHR Inc.	4,044	3,786
Bank charges and interest	3,924	4,523
Student expenses	3,450	5,700
Bad debts (recovery)	2,503	7,184
Student projects and incentives	2,250	2,000
Project expenses	1,500	22,737
Community donations	450	3,654
Medical transportation	64	-
Advertising and promotion	-	200
Program expense	-	18,560
	5,519,946	5,194,445

Schedule 3 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	595,086	556,289
Other	6,421	30,200
Rental income	-	100
	601,507	586,589
Expenses		
Contracted services	361,968	333,227
Professional fees	167,470	147,891
Honorarium and per diems	98,500	219,650
Salaries and benefits	82,240	5,203
Per capita distribution	81,900	46,800
Travel	73,742	68,607
Interest on long-term debt	58,715	44,036
Member assistance	42,840	39,788
Supplies	27,196	5,350
Utilities	22,887	21,148
Workshops and meetings	7,992	3,489
Elders fees	2,990	245
Bank charges and interest	2,833	2,939
Bad debts (recovery)	2,503	7,184
Student projects and incentives	2,250	2,000
Office supplies and training materials	1,977	16,386
Repairs and maintenance	1,800	17,241
Equipment lease	1,614	3,310
Community and cultural events	500	2,025
Community donations	200	3,120
Insurance	162	-
Administration	(114,795)	(104,336)
	927,484	885,303
Deficit before other items	(325,977)	(298,714)
Other income		
Gain on disposal of capital assets	14,800	-
Deficit	(311,177)	(298,714)

**Ocean Man First Nation
Band Project Revenue**

Schedule 4 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2022

	2022	2021
Revenue		
Canada Mortgage and Housing Corporation	175,460	175,457
Royalty and mineral lease	714,959	42,404
Surface leases and right-of-way	170,223	65,963
Interest income	141,317	75,961
First Nations Trust	99,203	129,480
Distribution from PHC Holdings Limited Partnership	61,053	-
Painted Hand Community Development Corporation	57,880	867
Other	39,439	249,603
Yorkton Tribal Administration Inc.	35,580	104,109
Rental income	26,515	28,037
	1,521,629	871,881
Expenses		
Professional fees	133,212	254,726
Amortization	115,117	115,117
Interest on long-term debt	27,553	30,400
Repairs and maintenance	23,513	32,108
Office supplies and training materials	24,393	16,623
Contracted services	18,854	23,286
Contribution	10,729	25,753
GST and Sales tax	9,310	8,792
Supplies	8,781	3,029
Salaries and benefits	884	127
Travel	165	745
Bank charges and interest	404	252
Program expense	-	18,560
	372,915	529,518
Surplus before other items	1,148,714	342,363
Other income (expense)		
Earnings (loss) from investment in Nation Business	82,693	(137,640)
Surplus	1,231,407	204,723

Schedule 5 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	297,358	353,151
Expenses		
Amortization	312,898	322,037
Repairs and maintenance	746	722
	313,644	322,759
Surplus (deficit)	(16,286)	30,392

Schedule 6 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	629,911	696,936
Rental income	51,007	40,741
Other	-	800
	680,918	738,477
Expenses		
Repairs and maintenance	252,625	136,950
Insurance	113,936	116,947
Contracted services	112,489	150,433
Salaries and benefits	63,354	36,954
Utilities	52,029	37,735
Professional fees	40,026	14,086
Land transaction management	38,883	-
Supplies	21,333	194,201
Elders fees	9,466	2,315
Equipment lease	2,364	1,709
Travel	1,532	1,800
Bank charges and interest	375	-
Office supplies and training materials	165	-
Miscellaneous	2	-
Member assistance	-	8,240
	708,579	701,370
Surplus (deficit)	(27,661)	37,107

Schedule 7 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	2,284,077	1,987,810
Yorkton Tribal Administration Inc.	545,170	472,175
Other	134,786	104,591
Painted Hand Community Development Corporation	59,734	26,805
Yorkton Tribal Council Child & Family Services	45,640	-
Saskatchewan Indigenous Cultural Centre	24,648	81,557
	3,094,055	2,672,938
Expenses		
Salaries and benefits	855,274	754,714
Contracted services	374,887	112,712
Tuition	367,910	355,124
Supplies	287,565	295,257
Student allowance	164,600	135,010
Administration	118,871	111,536
Honorarium and per diems	37,200	-
Travel	35,740	44,405
Utilities	30,163	28,484
Repairs and maintenance	27,473	131,263
Office supplies and training materials	22,882	4,800
Miscellaneous	10,960	-
Insurance	9,587	1,413
Student expenses	3,450	5,700
Workshops and meetings	2,835	2,295
Professional fees	1,785	469
Project expenses	1,500	22,737
Community donations	250	-
Bank charges and interest	16	945
Social assistance	-	1,035
	2,352,948	2,007,899
Surplus	741,107	665,039

Schedule 8 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous and Northern Affairs Canada	641,945	437,961
Yorkton Tribal Administration Inc.	24,694	32,223
Rental income	-	1,775
	666,639	471,959
Expenses		
Contracted services	214,757	177,052
Supplies	108,838	35,230
Honorarium and per diems	64,100	12,650
Salaries and benefits	31,067	23,691
Travel	8,959	1,963
Community and cultural events	6,937	-
Workshops and meetings	6,212	400
Utilities	4,169	3,919
Insurance	2,347	-
Office supplies and training materials	2,285	1,615
Equipment lease	2,049	1,241
Repairs and maintenance	1,987	4,028
Bank charges and interest	252	294
Medical transportation	64	-
Community donations	-	534
Member assistance	-	158
	454,023	262,775
Surplus	212,616	209,184

Schedule 9 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	117,142	144,199
Land leases	616,226	538,771
Oil, gas and seismic	102,517	95,805
Taxation bylaw	58,892	52,288
	894,777	831,063
Expenses		
Land transaction management	134,602	155,074
Taxation bylaws	14,090	3,140
Salaries and benefits	5,645	1,216
Property taxes - LHHR Inc.	4,044	3,786
Contracted services	300	4,090
Member assistance	-	350
	158,681	167,656
Surplus	736,096	663,407

Schedule 10 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	592,587	558,944
Expenses		
Social assistance	168,838	187,918
Supplies	22,857	-
Contracted services	22,529	91,801
Professional fees	9,871	24,066
Travel	6,466	5,072
Member assistance	1,000	-
Salaries and benefits	69	-
Bank charges and interest	41	93
Utilities	-	3,850
Advertising and promotion	-	200
Elders fees	-	4,165
	231,671	317,165
Surplus	360,916	241,779