

Thunderchild First Nation
Consolidated Financial Statements
March 31, 2021



Thunderchild
First Nation



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Independent Auditor's Report

To the Members of Thunderchild First Nation:

Qualified Opinion

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

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 qualified opinion.

Responsibilities of Management and Chief and Council 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Chief and Council 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 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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

February 19, 2025

MNP LLP

Chartered Professional Accountants

	2021	2020	
Financial assets			
Cash resources			
Cash resources	5,722,361	891,086	
Accounts receivable (Note 3)	1,157,367	1,251,994	
Member advances (Note 4)	333,623	304,045	
Restricted cash - short-term (Note 5)	2,467,510	238,016	
Subtotal of current assets	9,680,861	2,685,141	
Investments in First Nation partnerships and business entities (Note 6)	29,568,023	24,904,179	
Funds held in trust (Note 7)	1,150,207	655,100	
Investment in Co-op	75,123	75,123	
Restricted cash - long-term (Note 8)	2,339,261	2,398,448	
Notes receivable Piyesiw Awasis Trust (Note 9)	19,877,924	-	
Total financial assets	62,691,399	30,717,991	
Liabilities			
Current			
Bank indebtedness (Note 10)	138,963	184,485	
Accounts payable and accruals	3,137,957	3,689,906	
Deferred revenue (Note 11)	3,263,479	2,407,662	
Current portion of long-term debt (Note 12)	889,794	1,299,680	
Subtotal of current liabilities	7,430,193	7,581,733	
Long-term debt (Note 12)	29,116,895	29,389,145	
Deferred revenue (Note 13)	167,089	249,209	
Notes payable to Thunderchild 1908 Surrender Trust (Note 14)	39,534,265	-	
Total financial liabilities	76,248,442	37,220,087	
Net debt	(13,557,043)	(6,502,096)	
Subsequent events (Note 15)			
Guarantees (Note 6)			
Non-financial assets			
Tangible capital assets	60,574,350	58,530,738	
Accumulated surplus (Note 16)	47,017,307	52,028,642	
Approved on behalf of the Chief and Council			
<u>(Signature on file)</u>	Chief	<u>(Signature on file)</u>	Councillor

Thunderchild First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2021

	Schedules	2021 Actual	2020 Actual
Revenue			
Government funding			
Indigenous Services Canada (Note 20)		13,503,826	11,237,636
Indigenous Services Canada - FNIH (Note 20)		4,688,079	2,405,318
Canada Mortgage and Housing Corporation		196,149	302,600
Recovered ISC - FNIH funding		(434,928)	-
Recovered ISC funding		-	(34,932)
		17,953,126	13,910,622
Contribution from Thunderchild 1908 Surrender/Piyeesiw Awasis Trusts (Note 19)		5,075,132	1,600,161
Other Revenue		1,242,618	261,477
First Nations Trust		618,459	850,875
Land lease revenue		438,158	390,507
Aboriginal headstart		376,163	154,250
Battlefords Agency Tribal Chiefs Community Development		359,100	79,200
Saskatchewan Indian Institute of Technologies		372,732	422,201
Oil and gas		46,030	319,227
Interest income		18,557	25,927
Rental income		14,158	164,468
Retail fuel and confectionary sales - on reserve		-	101,752
User fees		-	37,305
Loss from investment in Nation business entities (Note 6)		(6,458,591)	(1,897,595)
		20,055,642	16,420,377
Program expenses			
Band Government	3	2,243,174	2,474,779
Capital Projects	4	646,075	675,541
Community Infrastructure	5	3,052,829	1,759,616
Economic Development	6	1,779,010	730,072
Education	7	6,762,333	6,687,495
Health	8	4,996,461	2,338,152
Project Revenue	10	2,784,830	2,983,513
Social Development	11	2,802,265	2,481,667
		25,066,977	20,130,835
Surplus (Deficit) before other items		(5,011,335)	(3,710,458)
Other income (expense)			
Loss due to write down of note receivable		-	(776,000)
		(5,011,335)	(4,486,458)
Deficit		(5,011,335)	(4,486,458)
Accumulated surplus, beginning of year		52,028,642	56,515,100
		47,017,307	52,028,642
Accumulated surplus, end of year (Note 16)		47,017,307	52,028,642

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

	2021 Actual	2020 Actual
Annual deficit	(5,011,335)	(4,486,458)
Purchases of tangible capital assets	(3,812,345)	(2,710,256)
Amortization of tangible capital assets	1,768,733	1,755,772
Loss due to vendor insolvency	-	776,000
(Increase) decrease in net debt	(7,054,947)	(4,664,942)
Net debt, beginning of year	(6,502,096)	(1,837,154)
Net debt, end of year	(13,557,043)	(6,502,096)

Thunderchild First Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2021

	2021 <i>Actual</i>	2020 <i>Actual</i>
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	(5,011,335)	(4,486,458)
Non-cash items		
Amortization	1,768,733	1,755,772
Gain (loss) on disposal of portfolio investments	-	776,000
Loss from investment in Nation business entities	6,458,591	-
	3,215,989	(1,954,686)
Accounts receivable	94,627	1,556,239
Member advances	(29,578)	(14,911)
Inventory for resale	-	48,243
Accounts payable and accruals	(551,949)	1,195,049
Deferred revenue	855,817	180,924
Deferred revenue - long term	(82,120)	-
	3,502,786	1,010,858
Financing activities		
Advances of long-term debt	-	2,534,000
Repayment of long-term debt	(682,136)	(806,168)
Increase (decrease) in bank indebtedness	(45,522)	(920,874)
Note payable	39,534,265	-
	38,806,607	806,958
Capital activities		
Purchases of tangible capital assets	(3,812,345)	(2,710,256)
Investing activities		
Purchase of temporary investments (net)	-	6,169
Increase in investment in Co-op	-	259
Investments in First Nation partnerships and business entities (net)	(11,122,435)	860,647
Deposit of restricted cash - short term	(2,229,494)	632,982
Deposit of restricted cash and deposits - long term	59,187	(135,780)
Increase in funds held in trust	(495,107)	(35,693)
Note receivable	(19,877,924)	-
	(33,665,773)	1,328,584
Increase in cash resources	4,831,275	436,144
Cash resources, beginning of year	891,086	454,942
Cash resources, end of year	5,722,361	891,086
Supplementary cash flow information		
Interest paid	1,196,075	1,045,596

The accompanying notes are an integral part of these financial statements

1. Operations

The Thunderchild First Nation (the "First Nation") is located in the province of Saskatchewan, and provides various services to its members. The Thunderchild First Nation financial reporting entity includes all related entities which are accountable to the First Nation and are controlled by the First Nation.

2. Significant accounting policies

These 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, except for First Nation business entities. Trusts administered on behalf of third parties by Thunderchild First Nation are excluded from the First Nation reporting entity.

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

- Thunderchild CMHC Housing;
- Thunder Oil Ltd.;
- Thunderchild First Nation Gas & Convenience Store;
- Moonlight Bay Gas and Convenience Store (inactive);

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.

The Thunderchild 1908 Surrender Trust, Piyesiw Awasis Trust, and Thunderchild Treaty Land Entitlement Trust are not included in the consolidated financial statements as these entities are administered and controlled by trustees.

Thunderchild First Nation business entities controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the 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 the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Thunder Development Limited Partnership; and,
- Thunder Development Inc.
- TFN Investment Corp.

Basis of presentation

Sources of revenue 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 prevent its use for current purposes is included in restricted cash.

Portfolio investments

Long-term investments in entities that are not controlled or jointly 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.

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

Funds held in Ottawa Trust Fund

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

- Capital trust moneys derived from non-renewable 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 reported on by the Government of Canada.

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.

Tangible capital assets

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

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:

	Method	Rate
Buildings and leasehold improvements	straight-line	25-40 years
CMHC housing	straight-line	40 years
Band housing	straight-line	40 years
Computer hardware and software	straight-line	4 years
Vehicles and equipment	straight-line	5-10 years
Water and sewer	straight-line	40 years

Net financial assets (net debt)

The First Nation's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities.

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

Revenue recognition

Non-government Funding

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.

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.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received in either the Band Capital or Band Revenue account.

Other revenues

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

Revenues from gross overriding royalties on interests in natural gas and petroleum properties is recognized when it is measurable, earned and collection is reasonably assured.

Revenues from retail sales are recognized upon completion of the sale transaction and is earned, measurable, and collection is reasonably assured.

Measurement uncertainty

The preparation of 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 financial statements, and the reported amounts of revenue 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 periods in which they become known.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Member advances are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Note receivable is stated after evaluation as to its collectibility and an appropriate allowance for doubtful account is provided where considered necessary.

Investment impairments are based on the net recoverable value of the investment.

Amortization is based on the estimated useful lives of tangible capital assets.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

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

Liability for contaminated site

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 cost directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2021.

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 continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

No provision for contaminated sites has been reported in these consolidated financial statements.

Segments

The First Nation conducts its business through nine reportable segments: Band Government, Capital, Community Infrastructure, Economic Development, Education, Health, Ottawa Trust Funds, Project Revenue, and Social Development. These operating segments are established by senior management 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 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. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements. Inter-segment transfers are recorded at their exchange amount.

3. Accounts receivable

	2021	2020
Thunderchild 1908 Surrender Trust	-	613,080
Government of Saskatchewan	560,190	560,190
Indigenous Services Canada	-	2,813
Other	213,654	51,729
Battleford Agency Tribal Chiefs Community Development	359,100	-
Canada Mortgage and Housing Corporation	16,101	16,688
Goods and Services Tax	8,322	7,494
	1,157,367	1,251,994

4. Member advances

Advances to members are unsecured, non-interest bearing and due on demand.

	2021	2020
Member advances and loans	1,534,036	1,504,458
Allowance for doubtful accounts	(1,200,413)	(1,200,413)
	333,623	304,045

5. Restricted cash - Short-term

Restricted cash consists of CMHC operating funds and funds managed by capital project managers who are responsible for payment of expenses relating to capital project funding by ISC.

6. Investments in First Nation partnerships and business entities

The First Nation has investments in the following entities:

					2021
	<i>Investment, start of year</i>	<i>Contributions (net)</i>	<i>Share of earnings (loss)</i>	<i>Asset impairment</i>	<i>Investment, end of year</i>
Nation business entity:					
Thunder Development Ltd. - 100%	100	-	-	-	100
First Nation Business Partnerships – Modified Equity:					
Thunder Developments Limited Partnership - 99%	24,904,179	11,122,435	(1,018,591)	(5,440,000)	29,568,023

The First Nation's investment in Thunder Developments Limited Partnership and its general partner, Thunder Developments Ltd. was established for the purposes of operating and overseeing the business and economic enterprises of the Thunderchild First Nation.

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

	<i>Thunder Developments LP As at December 31, 2020</i>
Assets	
Cash	920,631
Accounts receivable	598,740
Inventory	1,685,749
Prepaid	55,524
Related Party	1,104,347
Investments	12,560,000
Property, plant and equipment	13,940,939
Total assets	30,865,930
Liabilities	
Accounts payable	171,503
Due from related party	8,332,377
Long-term debt	6,863,622
Total liabilities	15,367,502
Share of earnings	(6,458,591)
Partners capital	21,957,019
Total liabilities and partners capital	30,865,930
Total revenue	11,462,504
Total expenses	17,921,095
Net loss	(6,458,591)

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

The First Nation has guaranteed the following debt on behalf of its First Nation business enterprise:

Thunder Developments Limited Partnership has the following long-term debt which the First Nation has issued a guarantee for repayment:

- TFN Investment Corp. has a long-term debt due to Bridging Finance Inc. of \$1,111,205 (2020 – \$11,711,205 payable in interest only payments at Bank of Montreal prime plus 12%, due immediately. The First Nation has paid \$810,911 in April 2021. Bridge Financing has declared bankruptcy and is claiming \$3,076,007 as the amount outstanding as of March 31, 2021. The nation disputes this amount and is pursuing a legal claim against Bridge Financing. As the outcome of the matter is uncertain no further accrual has been recorded in these financial statements.

7. Funds held in trust

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

	2021	2020
Capital Trust		
Balance, beginning of year	70,297	139,898
Royalties	46,030	130,399
Less: Transfers to Nation	-	200,000
Balance, end of year	116,327	70,297
Revenue Trust		
Balance, beginning of year	584,803	479,509
Interest	10,919	9,787
Land leases	438,158	390,507
Less: Transfers to Nation	1,033,880	879,803
	-	295,000
Balance, end of year	1,033,880	584,803
Total	1,150,207	655,100

8. Restricted cash - long-term

Thunderchild First Nation is required under agreement with CMHC to set aside funds to finance future qualifying housing expenditures. These funds are externally restricted and invested in guaranteed investment certificates \$637,698 (2020 - \$630,137). Restricted cash also consists of funds for Per Capita payments as prescribed by the Thunderchild 1908 Surrender Trust Agreement for members who have turned 18 during the year in the amount of \$100,734 (2020 - \$181,296).

The First Nation Finance Authority ("FNFA") holds a 5% deposit on loans issued to the Nation of \$1,600,829 (2020 - \$1,587,015).

Thunderchild First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

9. Notes receivable from Piyesiw Awasis Trust

	<i>2021</i>
Promissory note #1 (0.5% interest calculated daily due August 31, 2021)	2,000,000
Promissory note #2 (0.5% interest calculated daily due on demand)	12,132,983
Promissory note #3 (0.5% interest calculated daily due on demand)	5,744,941
	19,877,924

10. Bank indebtedness

At March 31, 2021 the First Nation has lines of credit available up to \$730,000 (2020 - \$730,000), of which \$138,604 (2020 - \$184,126) was drawn. Lines of credit are secured by band council resolutions assigning revenues. Bank indebtedness represents cash on deposit less outstanding cheque's.

	<i>2021</i>	<i>2020</i>
RBC line of credit \$230,000 available at prime plus 1% interest	138,963	184,126
First Nations Bank of Canada \$500,000 available at prime plus 0.75% interest	-	-

11. Deferred revenue - current

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

	<i>Balance, beginning of year Actual</i>	<i>Contributions received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
ISC - Roads Project	118,094	-	16,611	101,483
ISC - WTP Feasibility	1,298	-	1,298	-
ISC - Turtle Lake Waste Pond	249,826	-	11,250	238,576
ISC - Turtle Lake Backup Well	210,753	-	210,753	-
ISC - School Mechanical Project	-	500,000	15,895	484,105
SITAG	37,054	264,216	259,020	42,250
ISC - Special Needs	93,003	223,067	255,813	60,257
ISC - SAET	89,962	192,979	192,975	89,966
ISC - Accreditation Services	26,110	38,902	38,902	26,110
ISC - Solid Waste Feasibility	27,000	-	27,000	-
ISC - Housing Repairs	18,352	-	18,352	-
ISC - Basic needs	-	2,502,264	1,930,905	571,359
ISC - Capital Investment	-	282,055	33,847	248,208
ISC - MT Vans	-	79,500	19,500	60,000
ISC - COVID safe reopening	-	227,631	147,398	80,233
Husky Wellness Centre Funding	1,536,210	-	275,278	1,260,932
	2,407,662	4,310,614	3,454,797	3,263,479

Thunderchild First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

12. 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:

CMHC Phase	Monthly Payment Including Interest	Interest Rate	Renewal Date	2021	2020
I	-	-	-	-	-
IV	1,873	0.65%	1-Feb-25	86,904	151,596
V	1,890	1.44%	1-Feb-22	126,825	147,527
VI	1,928	2.04%	1-Jan-23	145,834	165,799
VII	1,092	2.21%	1-Feb-24	92,320	103,261
VIII	1,475	0.67%	1-Aug-25	76,996	94,072
IX	4,217	0.96%	1-Mar-26	459,306	505,834
X	5,181	2.14%	1-Mar-24	705,487	752,126
XI	-	-	-	636,275	430,168
				2,329,947	2,350,382
First Nations Finance Authority - Bond Series debt bearing interest at rates of 3.41% and 3.65%, repayable in monthly blended principal and interest payments of \$93,106 due for renewal June 1, 2028; fuel and confectionary sales, Thunderchild 1908 Surrender Trust, oil and gas royalties, and First Nations Trust revenues are pledged as security				27,676,742	28,338,443
				30,006,689	30,688,825
Less: current portion				889,794	1,299,680
				29,116,895	29,389,145

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:

2022	889,794
2023	914,791
2024	942,905
2025	970,038
2026	969,040

The First Nation has received \$542,872 as interest relief from the First Nation Finance Authority and has been reported as other revenue in these financial statements.

13. Deferred revenue - long-term

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

	Balance, beginning of year	Contributions received	Amount recognized as revenue	Balance, end of year
1908 Surrender Trust - Per Capita Distribution	238,771	-	82,120	156,651
1908 Surrender Trust - Band Capital	10,438	-	-	10,438
	249,209	-	82,120	167,089

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

14. Notes payable to Thunderchild 1908 Surrender Trust

	<i>2021</i>
Promissory note #1 (0.5% interest calculated daily due August 31, 2021)	2,000,000
Promissory note #2 (0.5% interest calculated daily due on demand)	32,231,925
Promissory note #3 (0.5% interest calculated daily due on demand)	5,302,340
	39,534,265

15. Subsequent event

Subsequent to year end in December 2024 the First Nation received \$155,400,000 from the government of Canada as compensation under the Thunderchild First Nation Treaty 6 Agricultural Benefits Settlement Agreement.

The First Nation through Thunderchild Business Developments Limited Partnership has purchased cattle and equipment totaling approximately \$3,800,000 with closing date of June 2022.

16. Accumulated surplus

Accumulated surplus consists of the following:

	<i>2021</i>	<i>2020</i>
<u>Equity in Ottawa Trust Funds</u>		
Balance, beginning of year	655,100	619,407
Royalties, interest and land lease revenue	495,107	530,693
Withdrawals	-	(495,000)
	1,150,207	655,100
<u>Equity in CMHC reserves</u>		
Balance, beginning of year	537,978	467,353
Reserve allocation	60,397	60,397
Interest	7,561	10,228
Withdrawals	(87,636)	-
	518,300	537,978
<u>Equity in tangible capital assets</u>		
Balance, beginning of year	56,180,355	55,813,374
Acquisition of tangible capital assets	3,812,345	2,710,256
Advances of long-term debt	(206,107)	-
Repayment of long-term debt	226,543	188,497
Amortization	(1,768,733)	(1,755,772)
Gain (loss) on disposal of tangible capital assets	-	(776,000)
	58,244,403	56,180,355

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

16. Accumulated surplus (Continued from previous page)

	2021	2020
<u>Equity in investments in First Nation partnerships and business entities</u>		
Balance, beginning of year	(4,153,781)	(1,376,804)
Contributions (net)	11,877,068	1,036,948
Loan advances	-	(2,534,000)
Loan repayments	626,885	617,670
Loss on investments in First Nation partnerships and business entities	(1,018,891)	(1,897,595)
Decibel Cannabis share valuation adjustment	(5,440,000)	-
	1,891,281	(4,153,781)
<u>Movable capital asset reserve & Notes Receivable</u>		
Balance, beginning and end of year	14,404	14,404
Note receivable from Piyesiw Awasis Trust	19,877,924	-
Note payable Thunderchild 1908 Surrender Trust	(39,534,265)	-
	(19,641,937)	14,404
<u>Unrestricted deficit</u>		
Balance, beginning of year	(1,205,414)	977,365
Transfer from equity in Ottawa Trust Funds	(495,107)	(35,693)
Transfer from (to) equity in CMHC reserves	19,678	(70,625)
Transfer from (to) equity in tangible capital assets	(2,064,048)	(366,980)
Transfer from (to) equity in investments in First Nation partnerships and business entities	(6,045,062)	2,776,976
Transfer from (to) Notes receivable	19,656,341	-
Annual surplus	(5,011,335)	(4,486,457)
	4,855,053	(1,205,414)
	47,017,307	52,028,642

The First Nation did not receive funding or incur expenses in relation to its movable capital asset reserve in the current year.

17. Equity in CMHC Reserves

Operating Reserve

The First Nations' 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. The operating reserve is fully funded at March 31, 2021 (2020 - fully funded).

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, 2021, \$518,300 (2020 - \$521,789) is required to be on deposit to fund this reserve. The unfunded portion at March 31, 2021 is \$nil (2020 - \$nil).

18. Economic dependence

Thunderchild First Nation receives a portion of its revenues from the Government of Canada as a result of Treaties entered into with the Government of Canada. 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. Other economic interest transactions

During the year, the First Nation received contributions from the following related entities. These amounts are recorded in accordance with the terms of the applicable Trust Agreements.

	2021	2020
Contribution revenue from Thunderchild 1908 Surrender Trust/ Piyesiw Awasis Trust related by similar membership	5,075,132	1,600,161

20. Indigenous Services Canada Reconciliation

ISC Funding	19,317,804
Less:	
ISC Funding for Health Programs	(4,688,079)
Capital projects school mechanical	(500,000)
ISC Programming received, deferred to future year	(3,546,398)
Plus:	
ISC capital projects recognized	255,805
ISC programming revenue recognized, deferred from prior year	2,664,694
Total funding per consolidated financial statements	13,503,826

21. Segments

The First Nation has nine 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 the administration and governance of the First Nation.

Capital - reports on capital projects.

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

Economic Development - reports on the First Nation's economic development activities.

Education - includes the operations of the Education programs.

Health - includes activities pertaining to the health and well being of its members.

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

Project Revenue - other programs not funded by government agencies.

Social Development - 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 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.

22. Comparative figures

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



Thunderchild First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	Buildings	CMHC Housing	Band Housing	Land and Land Improvements	Computer Hardware and Software	Vehicles and Equipment	Subtotal
Cost							
Balance, beginning of year	19,824,308	7,215,213	14,524,503	19,522,376	725,307	7,951,896	69,763,603
Acquisition of tangible capital assets	526,126	-	-	-	82,537	975,402	1,584,065
Loss of tangible capital asset	-	-	-	-	-	-	-
Balance, end of year	20,350,434	7,215,213	14,524,503	19,522,376	807,844	8,927,298	71,347,668
Accumulated amortization							
Balance, beginning of year	8,182,533	2,452,821	6,572,678	-	715,305	6,157,205	24,080,542
Annual amortization	499,800	60,131	334,105	-	29,583	555,236	1,478,855
Balance, end of year	8,682,333	2,512,952	6,906,783	-	744,888	6,712,441	25,559,397
Net book value of tangible capital assets	11,668,101	4,702,261	7,617,720	19,522,376	62,956	2,214,857	45,788,271
2020 Net book value of tangible capital assets	11,641,775	4,762,392	7,951,825	19,522,376	10,002	1,794,691	45,683,061



Thunderchild First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2021

	Subtotal	Water, Sewer, and infrastructure	Assets Under Construction	2021	2020
Cost					
Balance, beginning of year	69,763,603	11,587,234	3,798,292	85,149,129	83,214,873
Acquisition of tangible capital assets	1,584,065	15,776	2,212,503	3,812,344	2,710,256
Loss of tangible capital asset	-	-	-	-	(776,000)
Balance, end of year	71,347,668	11,603,010	6,010,795	88,961,473	85,149,129
Accumulated amortization					
Balance, beginning of year	24,080,542	2,537,849	-	26,618,391	24,862,619
Annual amortization	1,478,855	289,877	-	1,768,732	1,755,772
Balance, end of year	25,559,397	2,827,726	-	28,387,123	26,618,391
Net book value of tangible capital assets	45,788,271	8,775,284	6,010,795	60,574,350	58,530,738
2020 Net book value of tangible capital assets	45,683,061	9,049,385	3,798,292	58,530,738	

Thunderchild First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2021

	2021 <i>Actual</i>	2020 <i>Actual</i>
Salaries and benefits	6,166,540	5,033,488
Contracted services	2,887,642	2,100,003
Basic needs	1,930,794	1,857,044
Amortization	1,768,733	1,755,772
Bad debts	1,750,000	165,577
Supplies	1,372,478	550,524
Repairs and maintenance	1,203,422	715,928
Interest on long-term debt	1,196,075	1,045,598
Per capita distributions	643,995	64,900
Travel	876,382	734,632
Professional fees	863,871	899,492
Student expenses	775,659	720,167
Honouraria	690,518	748,297
Tuition	392,946	411,910
Member assistance	661,490	471,802
Advertising, promotion, and prevention	297,678	190,435
Insurance	294,686	418,826
Special needs	255,813	136,662
Utilities	241,750	525,574
Community events	184,383	706,052
Bank charges and interest	152,506	46,572
Telephone	144,744	143,148
Automotive	138,328	180,239
Food and beverage	64,896	55,024
Program expense	52,829	70,948
Administration	16,517	4,405
Board travel costs	14,867	131,654
Meeting	12,400	18,326
Training	9,118	123,787
Rent and leasing costs	5,917	19,319
Miscellaneous	-	50
Cost of goods sold	-	84,680
	25,066,977	20,130,835

**Thunderchild First Nation
Band Government**

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

For the year ended March 31, 2021

	2021 <i>Actual</i>	2020 <i>Actual</i>
Revenue		
Indigenous Services Canada	964,853	961,114
Recovered ISC funding	-	(34,250)
Other Revenue	325,508	(705,246)
Rental income	34,494	-
Interest income	-	14,542
	1,324,855	236,160
Expenses		
Contracted services	868,183	354,157
Honouraria	685,559	694,470
Per capita distributions	561,875	-
Professional fees	474,371	408,137
Travel	392,087	323,264
Insurance	232,693	389,034
Salaries and benefits	209,270	618,174
Member assistance	205,615	-
Community events	93,928	-
Telephone	23,031	45,936
Repairs and maintenance	19,819	2,261
Board travel costs	14,867	-
Meeting	8,443	18,326
Utilities	7,389	500
Student expenses	3,500	-
Bank charges and interest	2,014	9,669
Food and beverage	1,871	-
Automotive	1,611	-
Rent and leasing costs	-	8,799
Training	-	209
Bad debts	-	165,577
Advertising, promotion, and prevention	-	3,035
Amortization	-	17,697
Supplies	(18,998)	103,512
Administration	(1,543,954)	(687,978)
	2,243,174	2,474,779
Deficit before transfers	(918,319)	(3,014,619)
Transfers between programs	-	374,161
Deficit	(918,319)	(2,640,458)

**Thunderchild First Nation
Capital Projects**

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

For the year ended March 31, 2021

	2021 <i>Actual</i>	2020 <i>Actual</i>
Revenue		
Indigenous Services Canada	1,188,856	1,039,936
Canada Mortgage and Housing Corporation	-	200,250
Other Revenue	275,278	780,709
Rental income	-	106,461
	1,464,134	2,127,356
Expenses		
Contracted services	170,084	20,519
Administration	150,985	-
Repairs and maintenance	144,429	405,335
Salaries and benefits	119,927	-
Utilities	34,340	-
Automotive	15,000	-
Supplies	10,141	2,382
Travel	6,169	-
Community events	-	25,720
Professional fees	-	14,391
Training	-	5,230
Member assistance	-	150,175
Program expense	-	18,875
Interest on long-term debt	-	32,740
Bank charges and interest	(5,000)	174
	646,075	675,541
Surplus	383,565	1,451,815

**Thunderchild First Nation
Community Infrastructure**

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

For the year ended March 31, 2021

	2021 <i>Actual</i>	2020 <i>Actual</i>
Revenue		
Indigenous Services Canada	1,673,892	701,199
BATC CDC	359,100	79,200
User fees	-	37,305
	2,032,992	817,704
Expenses		
Amortization	1,151,064	1,124,513
Repairs and maintenance	651,867	93,916
Contracted services	388,821	303,590
Salaries and benefits	346,247	118,551
Administration	152,427	-
Supplies	145,087	36,585
Utilities	94,524	51,324
Automotive	33,383	9,406
Professional fees	26,857	-
Insurance	23,189	6,477
Advertising, promotion, and prevention	14,969	-
Travel	14,418	12,566
Telephone	9,976	2,688
	3,052,829	1,759,616
Deficit	(1,088,837)	(941,912)

**Thunderchild First Nation
Economic Development**

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

For the year ended March 31, 2021

	2021 <i>Actual</i>	2020 <i>Actual</i>
Revenue		
Indigenous Services Canada	-	272,600
Oil and gas	-	188,828
Retail fuel and confectionary sales - on reserve	-	101,752
Other Revenue	-	81,370
Rental income	-	4,600
Loss from investment in Nation business entities	(6,458,591)	(1,897,595)
	(6,458,591)	(1,248,445)
Expenses		
Bad debts	1,750,000	-
Amortization	29,010	41,329
Salaries and benefits	-	45,424
Board travel costs	-	131,653
Telephone	-	33,964
Professional fees	-	29,669
Supplies	-	14,345
Community events	-	14,009
Utilities	-	4,600
Automotive	-	1,298
Bank charges and interest	-	60
Cost of goods sold	-	84,680
Travel	-	126,932
Contracted services	-	202,109
	1,779,010	730,072
Deficit	(8,237,601)	(1,917,313)

**Thunderchild First Nation
Education**

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

For the year ended March 31, 2021

	2021 <i>Actual</i>	2020 <i>Actual</i>
Revenue		
Indigenous Services Canada	5,610,885	5,502,364
Aboriginal headstart	376,163	154,250
Saskatchewan Indian Institute of Technologies	372,732	403,451
Interest income	7,562	-
Rental income	-	53,407
Other Revenue	16,613	13,895
	6,383,955	6,127,367
Expenses		
Salaries and benefits	2,663,578	2,833,503
Student expenses	772,159	720,167
Supplies	569,593	277,586
Administration	584,686	440,858
Amortization	482,793	450,424
Contracted services	432,053	606,456
Tuition	392,946	399,960
Repairs and maintenance	262,465	143,171
Travel	172,554	125,456
Professional fees	130,674	147,105
Community events	82,778	103,307
Utilities	54,029	206,537
Program expense	52,829	52,073
Automotive	33,705	104,159
Telephone	31,577	36,787
Food and beverage	29,420	13,813
Insurance	15,394	5,223
Training	(900)	20,910
	6,762,333	6,687,495
Deficit	(378,378)	(450,454)

**Thunderchild First Nation
Health**

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

For the year ended March 31, 2021

	2021 <i>Actual</i>	2020 <i>Actual</i>
Revenue		
Indigenous Services Canada - FNIH	4,688,079	2,405,318
Indigenous Services Canada	837,703	-
Recovered FNIHB funding	(434,928)	-
Other Revenue	43,478	-
Saskatchewan Indian Institute of Technologies	-	18,750
	5,134,332	2,424,068
Expenses		
Salaries and benefits	2,333,660	1,056,951
Supplies	622,006	88,523
Administration	573,782	251,525
Advertising, promotion, and prevention	282,710	167,400
Travel	216,431	92,313
Member assistance	455,875	-
Amortization	105,866	121,809
Telephone	76,434	20,272
Contracted services	72,801	307,812
Automotive	51,704	61,133
Professional fees	39,599	3,148
Repairs and maintenance	33,596	41,355
Utilities	33,573	22,538
Food and beverage	32,767	36,991
Bank charges and interest	24,817	-
Insurance	19,122	15,762
Training	8,662	16,391
Rent and leasing costs	5,917	10,520
Meeting	3,957	-
Community events	3,182	22,509
Honouraria	-	1,200
	4,996,461	2,338,152
Surplus	137,871	85,916



Thunderchild
First Nation

**Thunderchild First Nation
Ottawa Trust Funds**

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

For the year ended March 31, 2021

	2021	2020
	<i>Actual</i>	<i>Actual</i>
Revenue		
Land lease revenue	438,158	390,507
Oil and gas	46,030	130,399
Interest income	10,919	9,787
	495,107	530,693
Surplus	495,107	35,693

**Thunderchild First Nation
Project Revenue**

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

For the year ended March 31, 2021

	2021 <i>Actual</i>	2020 <i>Actual</i>
Revenue		
Indigenous Services Canada	465,516	310,936
Canada Mortgage and Housing Corporation	196,149	102,350
Contribution from Thunderchild 1908 Surrender Trust	5,075,132	1,600,161
First Nations Trust	618,459	850,875
Other Revenue	548,062	70,749
Interest income	77	1,597
Rental income	(20,336)	-
	6,883,059	2,936,668
Expenses		
Interest on long-term debt	1,196,075	1,012,856
Contracted services	782,180	181,201
Salaries and benefits	247,118	141,260
Bank charges and interest	130,562	19,730
Professional fees	93,243	297,042
Repairs and maintenance	91,245	29,891
Per capita distributions	82,120	64,900
Travel	52,804	39,254
Administration	37,683	-
Supplies	35,692	10,008
Utilities	17,896	235,255
Honouraria	4,959	52,626
Community events	4,495	540,507
Insurance	4,287	2,332
Automotive	1,908	2,607
Telephone	1,726	1,951
Food and beverage	837	1,066
Miscellaneous	-	50
Member assistance	-	321,627
Training	-	29,350
	2,784,830	2,983,513
Surplus (deficit) before other items	4,098,229	(46,845)
Other income (expense)		
Capital Expenditures	503,494	-
Surplus (deficit) before transfers	4,601,723	(46,845)
Transfers between programs	-	(50,039)
Surplus (deficit)	4,601,723	(96,884)

**Thunderchild First Nation
Social Development**

Schedule 11 - Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2021

	2021 <i>Actual</i>	2020 <i>Actual</i>
Revenue		
Indigenous Services Canada	2,762,122	2,449,487
Recovered ISC funding	-	(682)
Other Revenue	33,679	20,000
	2,795,801	2,468,805
Expenses		
Basic needs	1,930,794	1,857,044
Special needs	255,813	136,662
Salaries and benefits	246,740	219,625
Contracted services	173,520	124,159
Professional fees	99,128	-
Administration	60,908	-
Travel	21,920	14,847
Supplies	8,957	17,582
Telephone	2,000	1,550
Training	1,356	51,698
Automotive	1,018	1,637
Bank charges and interest	111	16,939
Utilities	-	4,820
Advertising, promotion, and prevention	-	20,000
Food and beverage	-	3,154
Tuition	-	11,950
	2,802,265	2,481,667
Deficit	(6,464)	(12,862)