

**SAPOTAWEYAK CREE NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

# SAPOTAWEYAK CREE NATION

## MANAGEMENT'S REPORT

FOR THE YEAR ENDED MARCH 31, 2022

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### Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Sapotaweyak Cree Nation are the responsibility of management and have been approved by the Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Heartland Chartered Professional Accountants LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Sapotaweyak Cree Nation and meet when required.

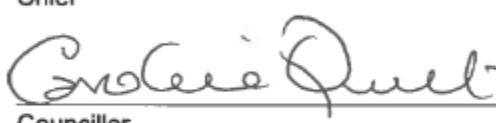
On behalf of Sapotaweyak Cree Nation:



Chief



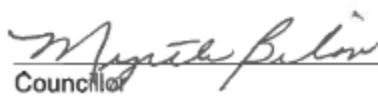
Councillor



Councillor



Councillor



Councillor

Councillor

July 22, 2022

## INDEPENDENT AUDITOR'S REPORT

To the Members of Sapotaweyak Cree Nation:

### Opinion

We have audited the consolidated financial statements of Sapotaweyak Cree 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, change in net debt and cash flows for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sapotaweyak Cree 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the 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 relating 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 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.

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 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.

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.



Heartland

Winnipeg, Manitoba  
July 22, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

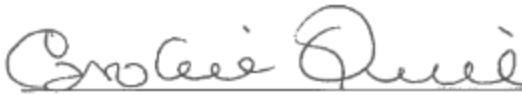
**SAPOTAWEYAK CREE NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 7,089,948	11,006,264
Restricted cash (Note 2)	433,914	541,744
Accounts receivable (Note 3)	721,889	1,229,856
Inventory for resale	122,100	104,786
Trust funds held by the federal government (Note 4)	902	879
Investment in government business partnerships (Note 5)	76,883	344,316
	<u>8,445,636</u>	<u>13,227,845</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	177,021	385,982
Unexpended funding (Note 9)	5,017,179	8,778,378
Long-term debt (Note 10)	<u>11,619,256</u>	<u>8,339,777</u>
	<u>16,813,456</u>	<u>17,504,137</u>
<b>NET DEBT</b>	<b>\$ 8,367,820</b>	<b>4,276,292</b>
<b>NON-FINANCIAL ASSETS</b>		
Construction in progress	\$ 7,112,995	13,934,475
Tangible Capital Assets (Note 6)	<u>41,973,492</u>	<u>28,357,319</u>
	<u>49,086,487</u>	<u>42,291,794</u>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 40,718,667</b>	<b>38,015,502</b>

APPROVED ON BEHALF OF THE FIRST NATION:

  
 Chief

  
 Councillor

  
 Councillor

  
 Councillor

  
 Councillor

  
 Councillor

**SAPOTAWEYAK CREE NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
ISC	\$ 17,425,636	26,258,220
Health Canada	4,373,484	4,747,638
Federal Government - MKO	601,503	627,130
Province of Manitoba	889,397	830,547
CMHC	380,949	399,571
Rental income	251,200	314,646
Other revenue	15,270,188	13,386,081
Loss from investment in government business partnerships	(267,433)	(140,372)
Net transfer from (to) unexpended funding	<u>3,761,199</u>	<u>(4,058,971)</u>
	<u><u>42,686,123</u></u>	<u><u>42,364,490</u></u>
<b>EXPENSES</b>		
Band government	2,052,000	1,194,234
Community development	10,126,861	13,053,923
Economic development	59,324	119,074
Education	8,936,558	7,930,905
Social services	3,748,556	3,349,221
Health	5,245,659	4,623,143
Amortization	3,983,590	3,156,069
Other	<u>5,830,410</u>	<u>576,083</u>
	<u><u>39,982,958</u></u>	<u><u>34,002,652</u></u>
<b>ANNUAL SURPLUS</b>	2,703,165	8,361,838
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	<u>38,015,502</u>	<u>29,653,664</u>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<b>\$ 40,718,667</b>	<b><u>38,015,502</u></b>

**SAPOTAWEYAK CREE NATION**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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	<b>2022</b>	<b>2021</b>
<b>ANNUAL SURPLUS</b>	\$ 2,703,165	8,361,838
Acquisition of tangible capital assets	(17,599,763)	(1,074,970)
Amortization of tangible capital assets	3,983,590	3,156,069
Change in construction in progress	6,821,480	(10,410,914)
Change in prepaid expenses	-	53,326
<b>CHANGE IN NET DEBT</b>	(4,091,528)	85,349
<b>NET DEBT AT BEGINNING OF YEAR</b>	<u>(4,276,292)</u>	<u>(4,361,641)</u>
<b>NET DEBT AT END OF YEAR</b>	<b>\$ (8,367,820)</b>	<b><u>(4,276,292)</u></b>

**SAPOTAWEYAK CREE NATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 2,703,165	8,361,838
Items not affecting cash:		
Amortization	3,983,590	3,156,069
Loss from investment in government business partnerships	<u>267,433</u>	<u>140,372</u>
	6,954,188	11,658,279
Change in non-cash charges to operations		
Accounts receivable	507,967	216,816
Inventory for resale	(17,314)	46
Trust funds held by the federal government (Note 4)	(23)	(16)
Accounts payable and accrued liabilities	(208,961)	(1,169,011)
Unexpended funding	(3,761,199)	4,058,971
Prepaid expenses	-	53,326
Cash provided by (applied to) operating transactions	<u>3,474,658</u>	<u>14,818,411</u>
<b>CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	(17,599,763)	(1,074,970)
Purchase of assets under construction	<u>6,821,480</u>	<u>(10,410,914)</u>
	<u>(10,778,283)</u>	<u>(11,485,884)</u>
<b>FINANCING TRANSACTIONS</b>		
Debt issuance	4,311,633	1,433,100
Repayment of long-term debt	(1,032,154)	(1,054,184)
Cash provided by (applied to) financing transactions	<u>3,279,479</u>	<u>378,916</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	(4,024,146)	3,711,443
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>11,548,008</u>	<u>7,836,565</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 7,523,862</u></b>	<b><u>11,548,008</u></b>
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 7,089,948	11,006,264
Restricted cash	<u>433,914</u>	<u>541,744</u>
	<u>\$ 7,523,862</u>	<u>11,548,008</u>

**SAPOTAWEYAK CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of accounting**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**b) Reporting entity**

The Sapotaweyak Cree Nation reporting entity includes the Sapotaweyak Cree Nation government and all related entities that are controlled by the First Nation.

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

- Sapotaweyak Cree Nation
- Sapotaweyak Health Authority
- Sapotaweyak Education Authority
- Sapotaweyak Aboriginal Skills and Employment Training (ASETS) Program
- Club SAPP
- The Loonie Bin Gaming Lounge
- Sapotaweyak CMHC Housing Authority
- Sapotaweyak Internet Services
- Sapotaweyak Social Services
- Petro Gas Bar

Investments in government business partnerships are accounted for 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's 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:

- Asesneskak Casino Limited Partnership
- Bus lines & Mahikan GP Inc.

**c) Principles of consolidation**

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

**SAPOTAWEYAK CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

**e) Portfolio investments**

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

**f) Tangible capital assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes the overhead directly attributable to construction and development, as well as interest costs that are directly attributable to construction of the asset.

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods or services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Amortization is provided for on a straight-line basis, over the estimated useful lives as follows:

Appliances	4 years
Commercial buildings	20 years
Computer equipment	3 years
Furniture and fixtures	5 years
Heavy equipment	5 years
Other equipment	4 years
Residential buildings	25 years
Roads	40 years
Underground networks	40 years
Vehicles	3 years

**SAPOTAWEYAK CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**g) Revenue recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

**h) Provision for site rehabilitation**

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. A liability is recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used and is equal to a proportion of the estimated total expenditure required for closure and post-closure care. The estimated total expenditure represents the sum of discounted cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition cause by past operations, and which do not contribute to future revenue generation, are expensed in the current year.

No liability has been recorded as of March 31, 2022 as funding from government agencies will offset any costs associated with the closure of landfill sites.

**i) Employee future benefits**

The First Nation's employee future benefit programs consist of defined contribution pension plans. The First Nation's contributions to the defined contribution plans are expensed as incurred.

**j) Measurement uncertainty**

In preparing the consolidated financial statements for Sapotaweyak Cree Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include the allowance for doubtful accounts and the estimated life of tangible capital assets. Actual results could differ from these estimates.

**SAPOTAWEYAK CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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**2) CASH AND CASH EQUIVALENTS**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Sapotaweyak Cree Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by fund are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund. Cash and cash equivalents is comprised of the following:

	<b>2022</b>	<b>2021</b>
<b>Externally restricted</b>		
CMHC - Replacement Reserve	\$ 433,914	541,744
<b>Internally restricted</b>		
Unexpended funding	5,017,179	8,778,378
<b>Unrestricted</b>	<u>2,072,769</u>	<u>2,227,886</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 7,523,862</u></b>	<b><u>11,548,008</u></b>

**3) ACCOUNTS RECEIVABLE**

	<b>2022</b>	<b>2021</b>
<b>Trade receivables</b>	\$ 199,061	174,354
<b>Due from members</b>		
Economic Development - start-up loans	73,768	97,520
Cash advance loans	125,626	92,714
<b>Due from government and other government organizations</b>		
Federal government		
Canada Mortgage and Housing Corporation	75,922	61,642
ISC	122,669	718,779
Health Canada	8,414	-
Provincial government	<u>304,773</u>	<u>259,684</u>
	910,233	1,404,693
<b>Less: Allowance for doubtful accounts</b>	188,344	174,837
<b>Total Accounts Receivable</b>	<b><u>\$ 721,889</u></b>	<b><u>1,229,856</u></b>

**SAPOTAWEYAK CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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**4) TRUST FUNDS HELD BY THE FEDERAL GOVERNMENT**

	<b>March 31, 2021</b>	<b>Additions 2022</b>	<b>Withdrawals 2022</b>	<b>March 31, 2022</b>
Revenue	\$ 879	23	-	902
Capital	-	-	-	-
	<b><u>\$ 879</u></b>	<b><u>23</u></b>	<b><u>-</u></b>	<b><u>902</u></b>

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

**5) INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS**

	<b>2022</b>	<b>2021</b>
Investment - Aseneskak Company Inc., at cost	\$ 117	117
Investment - Mahihkan Bus Lines GP Inc., at cost	10	10
Investment - Asenesak Casino Limited Partnership	385,000	385,000
Cummulative share of earnings	1,510,010	1,627,443
Cummulative dividends paid	<u>(1,399,672)</u>	<u>(1,399,672)</u>
	<u>495,338</u>	<u>612,771</u>
Investment - Mahihkan Bus Lines LP	10	10
Cummulative share of losses	(418,592)	(268,592)
Cummulative dividends paid	<u>-</u>	<u>-</u>
	<u>(418,582)</u>	<u>(268,582)</u>
Total Investments in government business partnerships	<b><u>\$ 76,883</u></b>	<b><u>344,316</u></b>

**6) TANGIBLE CAPITAL ASSETS**

	<b>2022</b>	<b>2021</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Cost</b>
Buildings - CMHC	\$ 7,462,735	3,400,967	8,160,817
Buildings - band housing	21,477,621	18,830,916	21,477,621
Buildings - commercial	52,681,577	22,617,627	37,331,550
Equipment	5,420,974	4,780,109	5,057,241
Infrastructure	6,645,400	4,582,775	6,645,400
Roads	7,406,222	5,350,274	5,906,222
Vehicles	2,927,483	2,485,852	2,541,481
	<b><u>\$ 104,022,012</u></b>	<b><u>62,048,520</u></b>	<b><u>87,120,332</u></b>
Net book value	<b><u>\$ 41,973,492</u></b>		<b><u>\$ 28,357,319</u></b>

**SAPOTAWEYAK CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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**7) TEMPORARY BORROWINGS**

The First Nation has lines of credit available to address operating requirements and to bridge capital expenditures. Interest on these borrowings range from the bank's prime lending rate plus 1.5%. All loans are unsecured, due on demand and are in the form of bankers' acceptance notes and bank overdrafts. As at March 31, 2022, the amount drawn on the operating line of credit (General) is \$Nil (2021 - \$Nil), the amount drawn on the demand loan (Capital) is \$Nil (2021 - \$Nil) and the amount drawn on the demand loan (Social) is \$Nil (2021 - \$Nil).

**8) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2022</b>	<b>2021</b>
Trade payables and accrued liabilities	\$ 147,844	331,788
Payroll liabilities	24,516	48,506
Accrued interest	4,661	5,688
	<b>\$ 177,021</b>	<b>\$ 385,982</b>

**SAPOTAWEYAK CREE NATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2022**

**9) UNEXPENDED FUNDING**

	<b>Balance March 31, 2021</b>	<b>Funding Received 2022</b>	<b>Revenue Recognized 2022</b>	<b>Balance March 31, 2022</b>
<b>Federal Government - ISC</b>				
New Water Treatment Plant	\$ 3,895,276	208,071	(3,936,242)	167,105
Economic Development	-	86,064	(63,692)	22,372
Fire Damage Repairs	-	175,241	-	175,241
Capacity & Innovation	97,205	70,000	(29,079)	138,126
Own Source Revenue Support	-	1,313,429	(867,137)	446,292
Commercial Opportunity	6,929	-	(6,929)	-
PIDP				
Capacity Building	3,705	-	(3,705)	-
HR:Policy Manual Rev	4,900	-	(4,900)	-
HR:Organizational Rev	13,000	-	(13,000)	-
Lead:C&C Governance	4,900	-	(4,900)	-
Lead:Cert of Indig Ldrshp	50,000	-	(50,000)	-
Law Making	3,880	-	(3,880)	-
Family Violence Prevention	11,564	14,000	(15,850)	9,714
Community Based Initiatives	327,583	357,331	(449,690)	235,224
COVID-19				
Indig Comm Support Fund	156,342	-	(156,342)	-
EMAP Top Up	242,371	676,764	(568,266)	350,869
Perimeter Security	60,769	-	(60,769)	-
EMO Coordinator	-	70,000	(46,141)	23,859
Band Housing 20-21	822,342	-	(741,232)	81,110
Band Housing 19-20	321,206	-	(41,251)	279,955
<b>Education</b>				
Instructional Services	873,496	3,510,738	(2,905,980)	1,478,254
Post Secondary	283,042	-	(283,042)	-
Community Opp Readiness	-	31,001	-	31,001
Maple Sugar Program	17,601	-	-	17,601
Jordan's Principle	26,694	-	(10,238)	16,456
<b>Social Services</b>				
Special Needs	73,378	64,089	(61,828)	75,639
Basic Needs - COVID	450,295	-	(450,295)	-
In-Home Care	19,906	101,987	(89,480)	32,413
Service Delivery	70,367	301,222	(68,296)	303,293
	<u>7,836,751</u>	<u>6,979,937</u>	<u>(10,932,164)</u>	<u>3,884,524</u>
<b>Other Deferred Revenue</b>				
MB Hydro - Bipole III	189,741	224,150	(161,321)	252,570
Trailblaze	6,811	-	(53)	6,758
Forest Initiative	-	177,423	(107,913)	69,510
Hydro Line Maintenance	-	68,015	(2,025)	65,990
ELCC - AHSOR	-	355,314	(96,614)	258,700
<b>Health Canada</b>				
Emergency Planning	-	543,867	(421,900)	121,967
Home & Community Care	-	514,431	(330,640)	183,791
Medical Transportation	53,933	-	(53,933)	-
Jordan's Principle	562,702	1,553,600	(1,950,351)	165,951
O&M Building (Flexible)	128,440	-	(121,022)	7,418
	<u>941,627</u>	<u>3,436,800</u>	<u>(3,245,772)</u>	<u>1,132,655</u>
	<b>\$ 8,778,378</b>	<b>10,416,737</b>	<b>(14,177,936)</b>	<b>5,017,179</b>

**SAPOTAWEYAK CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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**10) LONG-TERM DEBT**

	<b>2022</b>	<b>2021</b>
Royal Bank of Canada, 2021 Governance Building loan repayments currently interest only at 5.2%	\$ 4,011,000	1,270,100
Royal Bank of Canada, 2021 Case Loader purchase Repayable at \$32,600 annually, plus interest at 5.7% per annum, maturing January 22, 2023	130,400	163,000
Royal Bank of Canada, 2020 equipment loan Repaid during the year	-	167,277
Royal Bank of Canada, 2020 housing loan Repaid during the year	-	92,571
Royal Bank of Canada, 2022 paving loan Repayable at \$150,000 annually, plus interest at 5.2% per annum, maturing August 31, 2031	1,500,000	-
Royal Bank of Canada, 2022 Track Loader purchase Repayable at \$14,147 annually, plus interest at 5.7% per annum, maturing September 28, 2022	70,733	-
<b>PETRO GAS BAR</b>		
Royal Bank of Canada, 2020 gas station loan Repayable at \$5,161 monthly, plus interest at 3.73% per annum, maturing June 28, 2024	961,721	987,254
Suncor loan, forgivable	105,000	105,000
First People's Economic Growth Fund, gas station loan Repayable at \$7,426 monthly, including interest at 5.00% per annum, maturing August 2029	613,151	644,721
First People's Economic Growth Fund, interest free loan Repayable at \$2,500 monthly, including interest at 0.00% per annum, maturing August 2029	255,000	270,000
<b>CLUB SAPP</b>		
First Peoples Economic Growth Fund, repayable at \$2,500 monthly, interest at 0%, due June 2025.	120,000	145,000
<b>SUB-TOTAL</b>	<hr/> <u>7,767,005</u>	<hr/> <u>3,844,923</u>

**SAPOTAWEYAK CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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**10) LONG-TERM DEBT (continued)**

	<b>2022</b>	<b>2021</b>
CANADA MORTGAGE AND HOUSING CORPORATION (CMHC):		
Phase 1: Repayable at \$2,295 monthly including interest at 0.67% per annum, compounded semi-annually, matures May 2025, renewal date May 2025.	\$ 86,257	113,120
Phase 2: Repayable at \$4,506 monthly including interest at 1.30% per annum, compounded semi-annually, matures April 2027, renewal date June 2022.	265,845	316,112
Phase 3: Repayable at \$3,129 monthly including interest at 1.22% per annum, compounded semi-annually, matures January 2030, renewal date May 2026.	280,412	314,518
Phase 4: Repayable at \$4,604 monthly including interest at 0.52% per annum, compounded semi-annually, matures December 2031, renewal date June 2022.	525,111	575,818
Phase 5: Repaid during the year	-	321,889
Phase 6: Repayable at \$5,026 monthly including interest at 1.87% per annum, compounded semi-annually, matures January 2034, renewal date May 2024.	640,105	688,009
Phase 7: Repayable at \$4,831 monthly including interest at 2.27% per annum, compounded semi-annually, matures October 2036, renewal date April 2027.	720,303	766,992
Phase 8: Repayable at \$7,338 monthly including interest at 1.75% per annum, compounded semi-annually, matures October 2039, renewal date October 2024.	1,334,218	1,398,396
<b>SUB-TOTAL - CMHC</b>	<b>3,852,251</b>	<b>4,494,854</b>
Previous page	<u>7,767,005</u>	<u>3,844,923</u>
Total Long-term debt	<b>11,619,256</b>	<b>8,339,777</b>
Less: current portion	<u>1,410,832</u>	<u>2,282,641</u>
	<b><u>\$ 10,208,424</u></b>	<b><u>6,057,136</u></b>

Anticipated annual principal payments over the next five years are as follows:

2023	\$ 1,410,832
2024	555,628
2025	2,964,983
2026	364,656
2027	439,662

**SAPOTAWEYAK CREE NATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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**11) EXPENSES BY OBJECT**

The following is a summary of expenses by object:

	<b>2022</b>	<b>2021</b>
Amortization	\$ 3,983,590	3,156,069
Fees and contract services	10,637,736	10,082,879
Interest	244,654	163,819
Professional services	289,211	297,684
Rental expenditures	191,963	146,923
Salaries, wages and benefits	9,280,181	8,081,944
Staff development	355,820	210,257
Supplies and services	13,374,826	11,024,940
Travel	1,624,977	838,137
	<b>\$ 39,982,958</b>	<b>34,002,652</b>

**12) CONTINGENT LIABILITY - SOCIAL SERVICES FUNDING**

ISC has identified the following funding recoveries totalling \$298,853 related to the social services program:

- Basic Needs (2010-11)	\$ 27,570
- Basic Needs (2014 Social Compliance Review)	271,283

ISC has withheld social services funding owed to the First Nation totalling \$94,083 from the 2012-13 and 2013-14 fiscal years, that has not been recorded as a receivable by the First Nation. This withheld funding may be applied against the basic needs funding recoveries above in the event of repayment. Until such time as the terms of repayment have been established and a mutual agreement is reached, the First Nation is disclosing these recoveries as contingent liabilities.

**13) COMMITMENTS**

The First Nation has entered into agreements with Manitoba Liquor and Lotteries with respect to the Video Lotto Terminals (VLT) in use at Club SAPP and The Loonie Bin Gaming Lounge. The First Nation is committed to combined weekly payments of \$3,241 (\$168,532 annually) for the use of the VLTs.

**14) COMPARATIVE FIGURES**

Comparative figures have been provided where practicable in the Schedules of Revenue and Expenditures. Certain comparative figures have been reclassified to conform to the current year's method of presentation.

**SAPOTAWEYAK CREE NATION**  
**SUMMARY OF ISC AND OTHER FUNDING**  
**FOR THE YEAR ENDED MARCH 31, 2022**  
(Uaudited)

	PAGE	REVENUE				UNEXPENDED FUNDING BEGINNING OF YEAR	TOTAL	EXPENDITURE	UNEXPENDED FUNDING END OF YEAR	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE
		ISC	OTHER	UNEXPENDED FUNDING BEGINNING OF YEAR						
Band Support	18	\$ 749,131	861,719	-	1,610,850	1,636,105	-			(25,255)
Band Employee Benefits	19	70,261	-	-	70,261	70,261	-			-
Indian Registry Admins	19	19,619	-	-	19,619	19,619	-			-
RLEMP	20	27,644	-	-	27,644	27,644	-			-
RLEMP Supplementary	20	-	-	-	-	-	-			-
Land Use Planning Phase III	21	-	-	-	-	-	-			-
Community Based Initiatives	22	357,331	-	327,583	684,914	449,690	235,224			-
Aboriginal Entrepreneurship	23	-	-	-	-	-	-			-
Community Opportunity	23	-	-	6,929	6,929	12,882	-			(5,953)
Policing	24	-	-	-	-	102,597	-			(102,597)
Family Violence Prevention	24	14,000	-	11,564	25,564	15,850	9,714			-
Economic Development	25	85,164	900	-	86,064	63,692	22,372			-
Own Source Rev. Support	25	1,313,429	-	-	1,313,429	867,137	446,292			-
PIDP	26	84,900	-	80,385	165,285	287,280	-			(121,995)
COVID-19	33	749,053	-	459,482	1,208,535	857,666	350,869			-
Education	39	9,114,329	312,297	1,200,833	10,627,459	9,131,223	1,543,312			(47,076)
Social Services	55	2,462,972	-	613,946	3,076,918	2,749,753	411,345			(84,180)
Capital and O&M	59	2,377,803	247,916	5,136,029	7,761,748	7,081,625	865,396			(185,273)
Health Canada	69	-	4,770,398	745,075	5,515,473	4,934,095	737,827			(156,449)
Other programs	-	-	15,456,058	196,552	15,652,610	11,675,839	394,828			3,581,943
		<b>\$ 17,425,636</b>	<b>21,649,288</b>	<b>8,778,378</b>	<b>47,853,302</b>	<b>39,982,958</b>	<b>5,017,179</b>			<b>2,853,165</b>