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# OPASKWAYAK CREE NATION

## CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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# OPASKWAYAK CREE NATION

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MARCH 31, 2023

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**INDEPENDENT AUDITOR'S REPORT**

To the Chief, Council and Membership  
Opaskwayak Cree Nation

**Opinion**

We have audited the accompanying consolidated financial statements of Opaskwayak Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Opaskwayak Cree Nation as at March 31, 2023, and its consolidated financial performance 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 Opaskwayak Cree 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 opinion.

**Responsibilities of Management and Those Charged with Governance for the 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 Opaskwayak Cree 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 Opaskwayak Cree Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Opaskwayak Cree Nation's financial reporting process.

*(continued.....)*

## **Auditor's Responsibility 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.

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 Opaskwayak Cree 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 Opaskwayak Cree 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 Opaskwayak Cree 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.

*Baker Tilly HMA LLP*

Chartered Professional Accountants

The Pas, Manitoba  
October 1, 2024

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Opaskwayak Cree Nation are the responsibility of management and have been approved by Chief and 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 Chartered Professional Accountants of Canada 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.

Chief and 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.

Chief and 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 auditors' report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Opaskwayak Cree Nation and meet when required.

  
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Councillor

  
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Councillor

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31


	2023	2022 (Restated)
<b>FINANCIAL ASSETS</b>		
Cash (Note 4)	\$ 76,972,371	\$ 50,642,430
Restricted cash (Note 5)	18,317,166	34,219,620
Accounts receivable (Note 6)	15,252,468	19,435,568
Loans receivable (Note 7)	13,863,476	13,863,476
Investments (Note 8)	17,725,151	15,591,882
Inventory	30,669	5,776
Total financial assets	<u>142,161,301</u>	<u>133,758,752</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 9)	8,549,662	8,482,975
Deferred revenue	47,394,727	42,645,906
Long term debt (Note 11)	<u>64,129,741</u>	<u>65,556,953</u>
Total liabilities	<u>120,074,130</u>	<u>116,685,834</u>
Net assets	<u>22,087,171</u>	<u>17,072,918</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 12)	83,982,386	84,878,490
Construction in progress (Note 13)	17,767,718	7,125,723
Prepaid expenses	<u>117,189</u>	<u>111,319</u>
Total non-financial assets	<u>101,867,293</u>	<u>92,115,532</u>
Accumulated surplus	<u>\$ 123,954,464</u>	<u>\$ 109,188,450</u>

Contingent liabilities (Note 14)

Approved on behalf of Chief and Council


  
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 Chief


  
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# OPASKWAYAK CREE NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 3	2 0 2 2 (Restated)
<b>REVENUE</b>			
Indigenous Services Canada	\$ 52,616,640	\$ 64,907,656	\$ 60,322,823
First Nations and Inuit Health	10,819,542	10,966,144	12,074,570
Employment and Social Development Canada	1,243,118	1,611,467	1,532,936
Canada Mortgage and Housing Corporation	759,837	3,976,933	981,335
National Research Council Canada			22,250
Public Safety Canada	734,969	834,969	344,298
Province of Manitoba	8,165,859	8,230,112	7,690,187
Assembly of Manitoba Chiefs	79,296	411,732	1,135,305
Band generated revenue	4,043,272	5,876,693	3,535,108
Gains on investments		2,234,613	
Interest income	95,500	3,517,035	1,896,296
Manitoba Keewatinowi Okimakanak	1,787,875	1,320,878	1,799,016
Other	1,693,007	3,323,755	4,366,861
Rental and user fees	3,055,956	2,953,343	2,902,636
Eliminations	-	( 2,802,423)	( 2,482,635)
	<u>85,094,871</u>	<u>107,362,907</u>	<u>96,120,986</u>
<b>EXPENDITURES</b>			
Branch services	4,448,205	12,379,628	12,987,114
Care home	4,548,923	6,082,569	5,656,658
Child and family services	11,185,000	11,200,854	10,355,382
Education	25,856,345	25,551,365	25,524,595
Government services	3,625,960	5,061,617	6,053,772
Health	13,929,457	13,785,145	14,823,577
Housing	3,422,708	4,304,641	4,037,480
Infrastructure	6,601,044	8,165,397	7,866,332
Lands and natural resources	2,294,453	1,649,487	2,534,837
Social	6,431,612	7,218,613	6,686,600
Eliminations	-	( 2,802,423)	( 2,482,635)
	<u>82,343,707</u>	<u>92,596,893</u>	<u>94,043,712</u>
<b>ANNUAL SURPLUS</b>	<u>2,751,164</u>	<u>14,766,014</u>	<u>2,077,274</u>
<b>ACCUMULATED SURPLUS, beginning of year as previously stated</b>			103,589,541
Prior year restatement (Note 3)	-	-	3,521,635
<b>ACCUMULATED SURPLUS, beginning of year as restated</b>	<u>109,188,450</u>	<u>109,188,450</u>	<u>107,111,176</u>
<b>ACCUMULATED SURPLUS, end of year as restated</b>	<u>\$ 111,939,614</u>	<u>\$ 123,954,464</u>	<u>\$ 109,188,450</u>



**CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS**
**YEAR ENDED MARCH 31**

	BUDGET (UNAUDITED)	2 0 2 3	2 0 2 2 (Restated)
Annual surplus	\$ <u>2,751,164</u>	\$ <u>14,766,014</u>	\$ <u>2,077,274</u>
Acquisition of tangible capital assets and construction in progress		( <u>15,187,066</u> )	( <u>9,896,139</u> )
Amortization of tangible capital assets	<u>-</u>	<u>5,441,175</u>	<u>6,382,551</u>
	<u>-</u>	( <u>9,745,891</u> )	( <u>3,513,588</u> )
Acquisition of prepaid expenses		( <u>117,189</u> )	( <u>111,319</u> )
Use of prepaid expenses	<u>-</u>	<u>111,319</u>	<u>170,303</u>
	<u>-</u>	( <u>5,870</u> )	<u>58,984</u>
CHANGE IN NET ASSETS FOR YEAR	2,751,164	5,014,253	( 1,377,330)
NET ASSETS, <i>beginning of year as previously stated</i>			15,208,441
Prior year restatement (Note 3)	<u>-</u>	<u>-</u>	<u>3,241,807</u>
NET ASSETS, <i>beginning of year as restated</i>	<u>17,072,918</u>	<u>17,072,918</u>	<u>18,450,248</u>
NET ASSETS, <i>end of year as restated</i>	\$ <u>19,824,082</u>	\$ <u>22,087,171</u>	\$ <u>17,072,918</u>



# OPASKWAYAK CREE NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 2 3	2 0 2 2 (Restated)
CASH FLOW FROM		
OPERATING ACTIVITIES		
Cash from funding and other sources	\$ 110,140,610	\$ 107,227,027
Cash paid to suppliers and employees	( 85,364,408)	( 85,921,995)
Interest received	3,517,035	1,896,296
Interest paid	( 1,718,421)	( 1,653,925)
	<u>26,574,816</u>	<u>21,547,403</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets and construction in progress	( 15,187,066)	( 9,896,139)
INVESTING ACTIVITY		
Receipts of loans receivable	<u>-</u>	<u>1,017,663</u>
FINANCING ACTIVITIES		
Proceeds from long term debt	1,128,996	
Repayment of long term debt	( 2,556,208)	( 1,702,848)
Advances to related parties - net	<u>466,949</u>	<u>20,357,501</u>
	<u>( 960,263)</u>	<u>18,654,653</u>
NET INCREASE IN CASH DURING YEAR	10,427,487	31,323,580
CASH, beginning of year as previously stated		41,216,699
Prior year restatement (Note 3)	<u>-</u>	<u>12,321,771</u>
CASH, beginning of year as restated	<u>84,862,050</u>	<u>53,538,470</u>
CASH, end of year as restated	<u>\$ 95,289,537</u>	<u>\$ 84,862,050</u>

### CASH COMPRISED OF

Bank accounts	\$ 76,972,371	\$ 50,642,430
Restricted bank accounts	<u>18,317,166</u>	<u>34,219,620</u>
	<u>\$ 95,289,537</u>	<u>\$ 84,862,050</u>

# OPASKWAYAK CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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.

#### *REPORTING ENTITY*

The Opaskwayak Cree Nation reporting entity includes the Opaskwayak Cree Nation (the Cree Nation) government and all related entities which are accountable to the Cree Nation and are either owned or controlled by the Cree Nation.

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination:

#### O.C.N. Programs:

- Opaskwayak Cree Nation Operating Fund
- Opaskwayak Education Services Inc.
- Opaskwayak Health Authority
- Opaskwayak Cree Nation Housing Authority Ltd.
- Rod McGillivray Memorial Care Home
- Opaskwayak Cree Child and Family Services
- Opaskwayak Cree Nation Land Tax
- Opaskwayak Cree Nation Gaming Commission
- Nakow Mining and Supply Ltd.

Incorporated and unincorporated business entities which are owned and controlled by the Cree Nation but which are not dependent on the Cree Nation for their continuing operations are included in the consolidated financial statements using the modified equity method. These include:

- 3327770 Manitoba Ltd. (o/a Kikiwak Inn)
- 3557040 Manitoba Ltd. (o/a OCN Shell)
- 5110301 Manitoba Ltd. (o/a Sports Traders)
- 7005571 Manitoba Ltd.
- 7423463 Manitoba Ltd. (o/a OCN Smart Farm)
- Aseneskak Casino Limited Partnership
- Neso Corporation Ltd. (o/a The Pas I.G.A.)
- Otineka Development Corporation Ltd.
- Paskwayak Business Development Corporation Ltd.
- Paskwayak Construction Limited Partnership
- Paskwayak Limited Partnership
- Paskwayak NAC Investment Limited Partnership
- Pinesiw Energy Limited Partnership
- Mahihkan Bus Lines Limited Partnership

With the exception of the Aseneskak Casino Limited Partnership which has been included in these financial statements using a March 31, 2023 year end, the financial information for the above incorporated entities included in these financial statements is for the year ended December 31, 2022.

- Opaskwayak Cree Nation VLT Centre

The financial information for the above unincorporated entities included in these financial statements is for the year ended March 31, 2023.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, construction in progress and prepaid expenses.

*CASH AND CASH EQUIVALENTS*

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

*SHORT TERM INVESTMENTS*

Short term investments are recorded at lower of cost and market value.

*INVESTMENTS*

Portfolio investments are recorded at fair market value. OCN's investments in various commercial enterprises are accounted for using the modified equity method. Under the modified equity method, the cost of the investments are adjusted for OCN's share of the commercial enterprises' income or loss less dividends.

*INVENTORY*

Inventory of bingo cards, breakopen tickets and gaming supplies have been valued on the first-in, first-out cost basis.

*NET ASSETS (DEBT)*

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

*TANGIBLE CAPITAL ASSETS*

Tangible capital assets are stated at cost and recorded in the capital assets. Social housing assets acquired under Canada Mortgage and Housing Corporation sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt. Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates:

Buildings	2.5 - 4%
Computers	20 - 50%
Equipment	2.5 - 20%
Roads	2.5 - 8%
Vehicles	10 - 30%
Water and sewer	4%

Amortization is computed at one-half of the annual amortization in the year of acquisition.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot reasonably be determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

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

**SEGMENTS**

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

**REVENUE RECOGNITION**

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

**ASSET RETIREMENT OBLIGATION**

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at management's best estimate at the present fair value of the estimated future cash flows required to settle the retirement obligation. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations. As at March 31, 2023, the Cree Nation did not have any significant asset retirement obligations.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**FINANCIAL INSTRUMENTS*Measurement

The Cree Nation measures all of its financial assets and financial liabilities at cost or amortized cost, except for the following, which are measured at fair value without any adjustment for transaction costs: derivatives, marketable securities in equity instruments that are quoted in an active market and marketable securities that the Nation has elected to measure at fair value. The effective interest rate method is used to determine interest revenue or expenses for financial instruments measured at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and federal trust funds. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

No financial assets are measured at fair value.

Transaction costs

Transaction costs attributable to financial instruments measured at fair value are recognized in the Statement of Operations in the period incurred. Transaction costs for financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument.

Impairment

At the end of each reporting period, management assesses financial assets or groups of financial assets for evidence of objective impairment. An impairment loss is recognized in the Statement of Operations when there is a loss in value that is other than temporary. Future recoveries of impaired financial assets are recognized in the Statement of Operations when received.

*USE OF ESTIMATES*

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 certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates. Items requiring significant estimates include the allowance for doubtful accounts and the useful life of tangible capital assets.

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.

Capitalization of labour costs is based on an estimate of the proportionate share of direct labour and overhead labour.

Asset retirement obligations are estimated based on the present value of the required cost at retirement of specific assets.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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## 2. CHANGE IN ACCOUNTING POLICY

*ASSET RETIREMENT OBLIGATIONS*

On April 1, 2022, the Cree Nation adopted the PSAS Section (PS 3280) "Asset Retirement Obligations". The new standard includes the requirement for the recognition, measurement, presentation and disclosure of asset retirement obligations and is effective for year beginning on or after April 1, 2022. There was no significant impact on these consolidated financial statements as a result of the adoption of this standard as no legal or constructive obligations were identified.

*FINANCIAL INSTRUMENTS*

On April 1, 2022 the Cree Nation adopted the PSAS Section (PS3450) "Financial Instruments". The new standard establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. There was no significant impact on these consolidated financial statements as a result of the adoption of these standards.

As part of the adoption of PSAS 3450, on April 1, 2022, the Cree Nation was also required to adopt PSAS Section (PS 3041) "Portfolio Investments" which has removed the distinction between temporary and portfolio investments, PSAS Section (PS 2601) "Foreign Currency Translation" which requires unrealized gains and losses to be presented on the statement of re-measurement gains and losses and PSAS Section (PS 1201) "Financial Statement Presentation" which requires a new statement of re-measurement gains and losses separate from the statement of operations. The adoption of these standards/amendments had no significant impact on the First Nation's consolidated financial statements and there are no remeasurement gains and losses, so no statement has been presented.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

## 3. PRIOR YEAR RESTATEMENT

Effective April 1, 2022, the Cree Nation changed its accounting policy for the reporting entities included in the consolidated financial statements. In previous years, the Opaskwayak Cree Child and Family Services and Opaskwayak Cree Nation Gaming Commission entities were not consolidated. The Cree Nation has decided to include these entities in the consolidated financial statements as they are now controlled by Chief and Council.

As a result of this change in accounting policy, the prior year comparative figures have been restated as follows;

	Balance as previously reported	Change in policy	Balance as restated
<b><u>March 31, 2022</u></b>			
<b>Statement of Financial Position</b>			
Assets			
Cash	\$ 38,427,652	\$ 12,214,778	\$ 50,642,430
Accounts receivable	18,912,217	523,351	19,435,568
Inventory	-	5,776	5,776
Total financial assets	<u>121,014,847</u>	<u>12,743,905</u>	<u>133,758,752</u>
Liabilities			
Accounts payable and accrued liabilities	7,724,344	758,631	8,482,975
Deferred revenue	34,085,792	8,560,114	42,645,906
Total liabilities	<u>107,367,089</u>	<u>9,318,745</u>	<u>116,685,834</u>
Net assets	<u>13,647,758</u>	<u>3,425,160</u>	<u>17,072,918</u>
Non-financial assets			
Tangible capital assets	84,275,883	602,607	84,878,490
Construction in progress	6,875,883	249,840	7,125,723
Prepaid expenses	<u>83,947</u>	<u>27,372</u>	<u>111,319</u>
Total non-financial assets	<u>91,235,713</u>	<u>879,819</u>	<u>92,115,532</u>
Accumulated surplus	<u>\$ 104,883,471</u>	<u>\$ 4,304,979</u>	<u>\$ 109,188,450</u>
<b>Statement of Operations</b>			
Revenue	<u>\$ 85,631,988</u>	<u>\$ 10,488,998</u>	<u>\$ 96,120,986</u>
Expenses	<u>84,338,058</u>	<u>9,705,654</u>	<u>94,043,712</u>
Annual surplus	<u>1,293,930</u>	<u>783,344</u>	<u>2,077,274</u>
Annual surplus, <i>beginning of year</i>	<u>103,589,541</u>	<u>3,521,635</u>	<u>107,111,176</u>
Annual surplus, <i>end of year</i>	<u>\$ 104,883,471</u>	<u>\$ 4,304,979</u>	<u>\$ 109,188,450</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

3. PRIOR YEAR RESTATEMENT *(continued)*

	Balance as previously reported	Change in policy	Balance as restated
<b>Statement of Change in Net Assets</b>			
Annual surplus	\$ <u>1,293,930</u>	\$ <u>783,344</u>	\$ <u>2,077,274</u>
Acquisition of tangible capital assets and construction in progress	( <u>9,162,412</u> )	( <u>733,727</u> )	( <u>9,896,139</u> )
Amortization of tangible capital assets	<u>6,274,562</u>	<u>107,989</u>	<u>6,382,551</u>
Acquisition of prepaid expenses	( <u>83,947</u> )	( <u>27,372</u> )	( <u>111,319</u> )
Use of prepaid expenses	<u>117,184</u>	<u>53,119</u>	<u>170,303</u>
Change in net assets for year	( <u>1,560,683</u> )	<u>183,353</u>	( <u>1,377,330</u> )
Net assets, <i>beginning of year</i>	<u>15,208,441</u>	<u>3,241,807</u>	<u>18,450,248</u>
Net assets, <i>end of year</i>	\$ <u>13,647,758</u>	\$ <u>3,425,160</u>	\$ <u>17,072,918</u>
<b>Statement of Cash Flows</b>			
Operating activities	\$ <u>20,929,669</u>	\$ <u>617,734</u>	\$ <u>21,547,403</u>
Capital activities	( <u>9,162,412</u> )	( <u>733,727</u> )	( <u>9,896,139</u> )
Net increase in cash during year	<u>31,430,573</u>	( <u>106,993</u> )	<u>31,323,580</u>
Cash, <i>beginning of year</i>	<u>41,216,699</u>	<u>12,321,771</u>	<u>53,538,470</u>
Cash, <i>end of year</i>	\$ <u>72,647,272</u>	\$ <u>12,214,778</u>	\$ <u>84,862,050</u>

## 4. CASH

Cash is comprised of the following:

	2 0 2 3	2 0 2 2
Unrestricted		
Opaskwayak Cree Nation	\$ <u>36,178,013</u>	\$ 14,741,984
Opaskwayak Cree Nation Child and Family Services	<u>15,599,227</u>	12,113,619
Opaskwayak Cree Nation Gaming Commission	<u>37,082</u>	101,160
Opaskwayak Cree Nation Land Tax	<u>363,116</u>	68,573
Opaskwayak Educational Authority Inc.	<u>8,175,785</u>	7,820,503
Opaskwayak Health Authority	<u>10,332,668</u>	8,133,293
Opaskwayak Housing Authority	<u>6,181,443</u>	7,246,721
Rod McGillivray Memorial Care Home	<u>105,037</u>	416,577
	\$ <u>76,972,371</u>	\$ <u>50,642,430</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**MARCH 31, 2023**
**5. RESTRICTED CASH**
**CMHC Replacement Reserve**

As required as part of the Cree Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to tangible capital assets. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2023, \$1,076,737 (2022 - \$1,053,775) had been deposited into separate accounts leaving an under funded balance of \$353,451 (2022 - over funded \$64,802).

**Ottawa Trust Fund**

The Ottawa Trust Fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to the Cree Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the Cree Nation's Council.

	<b>2 0 2 3</b>	<b>2 0 2 2</b>
CMHC Replacement Reserve		
Opaskwayak Housing Authority	\$ 1,076,737	\$ 1,053,775
Ottawa Trust Fund	7	7
First Nations Finance Authority	3,878,603	25,281,714
Internally Restricted Reserves and Funds		
Rod McGillivray Memorial Care Home		211,449
Opaskwayak Cree Nation	9,807,190	4,160,524
Opaskwayak Educational Authority Inc.	64,417	29,166
Opaskwayak Health Authority	3,390,583	3,383,276
Opaskwayak Housing Authority	<u>99,629</u>	<u>99,709</u>
	<u>\$ 18,317,166</u>	<u>\$ 34,219,620</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

## 6. ACCOUNTS RECEIVABLE

	2 0 2 3	2 0 2 2
Indigenous Services Canada		
Assisted Living	\$	\$ 25,917
Band Support		6,073
Band Employee Benefits		2,440
Child Maintenance	908,337	
Case Management Capacity		95,934
Clients Support		367,338
Community Economic Development		29,249
COVID-19 LEDSP		2,009
COVID-19 Safe Return - Elementary and Secondary		20,992
CWO- AMISK West Project		1,889,302
Child and Family Services		293,398
Educational - Vocational		51,002
FNLM - Capacity	8,975	
Fire Smart	157,685	157,685
FN School Second Level		11,988
In - Home Care	28,595	75,000
Income Assistance		40,467
Landfill Project		266,040
Membership		267
NFR Elementary and Secondary Education		562,848
NFR Post Secondary Education		17,301
Northern Economy Development Summit		57,628
Other Facilities O&M		17,944
Preparedness	13,800	13,800
Roads and Bridges		400,000
Service Delivery		530,565
Water and Wastewater O&M		2,286
First Nations and Inuit Health		
Health Facilities		7,632
Healthy Living		8,918
Health Services Integration Fund		250,000
Home and Community Care		24,403
Mental Wellness		20,092
Midwifery Program		350,000
Nursing - Canadian Prenatal Nutrition Program		14,610
Planning and Quality System Initiative		20,592
Public Health		7,143
Public Health - Nurse Support		44,005
Advances receivable	25,428	37,297
C.M.H.C.	427,411	24,911
Goods and services tax	83,881	28,044
Housing rents	6,153,590	6,134,397
Related entities	9,684,099	10,596,381
Organizations, individuals and other receivables	8,039,271	8,266,933
Subtotal	25,531,072	30,772,831
Less: Allowance for doubtful accounts		
Organizations, individuals and other receivables	( 4,718,747)	( 5,542,942)
Housing rents	( 5,559,857)	( 5,794,321)

\$ 15,252,468 \$ 19,435,568

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

## 7. LOANS RECEIVABLE

	2 0 2 3	2 0 2 2
Loans receivable, due on December 31, 2024 from Meta Growth Corp., interest at 10% per annum, receivable in monthly installments of interest only.	\$ 9,000,000	\$ 9,000,000
Loans receivable, due on December 31, 2024 from Meta Growth Corp., interest at 10% per annum, receivable in monthly installments of interest only.	4,000,000	4,000,000
Loans receivable, due on July 31, 2026 from Misipawistik Cree Nation, interest at 2% per annum, receivable in monthly installments of \$16,369 (P & I).	<u>863,476</u>	<u>863,476</u>
	<u>\$ 13,863,476</u>	<u>\$ 13,863,476</u>

## 8. INVESTMENTS

The following table presents condensed financial information for the Cree Nation's long term investments.

	Business Entities	Portfolio Investments	2 0 2 2	2 0 2 1
Cash	\$ 5,601,216	\$ 6,643,273	\$ 12,244,489	\$ 7,354,649
Account receivable	3,517,903	45,000	3,562,903	1,810,407
Inventory	425,372	9,816	435,188	345,436
Capital assets	9,770,612	608,579	10,379,191	8,081,894
Investment	401,943	8,306,080	8,708,023	12,962,329
Other assets	<u>8,413,267</u>	<u>762,026</u>	<u>9,175,293</u>	<u>8,132,745</u>
TOTAL ASSETS	<u>\$ 28,130,313</u>	<u>\$ 16,374,774</u>	<u>\$ 44,505,087</u>	<u>\$ 38,687,460</u>
Accounts payable	\$ 4,544,717	\$ 364,653	\$ 4,909,370	\$ 1,946,780
Long term debt	596,298	268,393	864,691	1,202,555
Other Liabilities	<u>11,179,719</u>	<u>10,010,378</u>	<u>21,190,097</u>	<u>19,948,261</u>
TOTAL LIABILITIES	16,320,734	10,643,424	26,964,158	23,097,596
EQUITY	<u>11,993,801</u>	<u>5,731,350</u>	<u>17,725,151</u>	<u>15,591,882</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 28,314,535</u>	<u>\$ 16,374,774</u>	<u>\$ 44,689,309</u>	<u>\$ 38,689,478</u>
REVENUE	\$ 11,622,655	\$ 3,780,339	\$ 15,402,994	\$ 14,106,878
EXPENDITURES	( 9,996,399)	( 1,633,454)	( 11,629,853)	( 10,825,116)
OTHER ITEMS	<u>( 1,521,498)</u>	<u>( 118,374)</u>	<u>( 1,639,872)</u>	<u>( 5,229,087)</u>
NET INCOME (LOSS)	<u>\$ 104,758</u>	<u>\$ 2,028,511</u>	<u>\$ 2,133,269</u>	<u>\$ ( 1,947,325)</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

8. INVESTMENTS *(continued)*

The scheduled principal amounts payable within the next five years to meet retirement provisions for long term debt is estimated to be as follows:

March 31, 2024	\$	309,756
2025		232,819
2026		424,694
2027		29,505
2028		25,249

Business Entities

Business entities is comprised of the operations of the Cree Nation's incorporated and unincorporated business entities which are owned and controlled by the Cree Nation and the Cree Nation's 1/2 interest in Pinesiw Energy Limited Partnership.

Portfolio Investments

Portfolio investments are comprised of the Cree Nation's investments in the cannabis, food and beverage, casino and transportation industries.

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accrued liabilities	\$ 3,113,946	\$ 1,770,521
Related entities	750,100	787,069
Vendor payables and other	<u>4,685,616</u>	<u>5,925,385</u>
	<u>\$ 8,549,662</u>	<u>\$ 8,482,975</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**MARCH 31, 2023**
**10. DEFERRED REVENUE**

	Balance, beginning of year	Funding received 2023	Revenue recognized 2023	Balance, end of year
Indigenous Services Canada				
Adult Education	\$	\$ 598,315	\$	\$ 598,315
Amisk West Subdivision	1,660,861		1,660,861	
Basic Needs - Inflation Relief		1,595,295		1,595,295
Capacity Building	15,284		15,284	
Case Management Capacity	363,749		214,790	148,959
Child and Family Services	1,195,415	4,367,196	1,536,842	4,025,769
CFS Prevention		3,525,637		3,525,637
Client Supports	990,035		251,160	738,875
Community Led Planning	118,853		118,853	
Community Well Being				
Jurisdiction Initiative	1,018,860	704,668	285,651	1,437,877
Community Infrastructure Plan		25,000		25,000
New Housing Construction	1,344,235	1,580,000	402,229	2,522,006
COVID-19 Safe Restart School	187,673		187,673	
Education Planning and Design	157,068			157,068
Education	4,427,433	17,077,358	16,138,018	5,366,773
Emergency Preparedness	14,400		14,400	
Firesmart	135,041			135,041
First Nation Representative				
Service		973,237		973,237
FNLM - Capacity (OCN Legacy				
Research Project)		69,865		69,865
HCC Policy Development	46,698		46,698	
Housing Renovations	578,723	480,000	531,056	527,667
Income Assistance	4,933,873	7,265,843	9,570,352	2,629,364
Institutional Care		738,834	681,439	57,395
IAFNYES	86,576	278,344	64,305	300,615
Motivational Interviewing				
Training	2,700		2,700	
Northern Economy Dev. Summit	140,000			140,000
NR Adapt	98,351		98,351	
Post Secondary and				
Professional	336,774		336,774	
Post Secondary Student				
Support	393,547		393,547	
Response COVID-19	439,610		439,610	
Response COVID-19 Personal				
Care Home	326,650		326,650	
School Ventilation		90,248		90,248
Second Level Funding	1,853,449	1,727,967	1,249,875	2,331,541
Skills Link		161,029		161,029
Skills Link - Social	377,680		377,680	
Ventilation program	91,294			91,294
Water Treatment Plant	237,936	-	237,936	-
Indigenous Services Canada				
sub-total	<u>21,572,768</u>	<u>41,258,836</u>	<u>35,182,734</u>	<u>27,648,870</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**MARCH 31, 2023**

 10. DEFERRED REVENUE *(continued)*

	Balance, beginning of year	Funding received 2023	Revenue recognized 2023	Balance, end of year
First Nations and Inuit Health				
CDE Planning and Response	1,712,266			<b>1,712,266</b>
Homecare - FNIH	525,416	1,111,040	1,002,641	<b>633,815</b>
Jordan's Principle		2,337,597	2,209,704	<b>127,893</b>
Jordan's Principle - Therapy Services		339,000	97,443	<b>241,557</b>
Mental Health Care		365,959	350,388	<b>15,571</b>
Midwifery Program	579,164	456,815	367,853	<b>668,126</b>
Non-Insured Health Benefits - Transportation	<u>1,172,486</u>	<u>2,414,624</u>	<u>2,210,826</u>	<u><b>1,376,284</b></u>
First Nations and Inuit Health sub-total	<u>3,989,332</u>	<u>7,025,035</u>	<u>6,238,855</u>	<u><b>4,775,512</b></u>
Other Programs				
Opaskwayak Child and Family Services	7,364,699	903,357	446,638	<b>7,821,418</b>
Opaskwayak Cree Nation	4,092,462	786,840	973,496	<b>3,905,806</b>
Opaskwayak Education Services Inc.	146,058		146,058	
Opaskwayak Health Authority	807,630	699,220	98,247	<b>1,408,603</b>
Opaskwayak Housing Authority	<u>4,672,957</u>	<u>314,799</u>	<u>3,153,238</u>	<u><b>1,834,518</b></u>
Other Programs sub-total	<u>17,083,806</u>	<u>2,704,216</u>	<u>4,817,677</u>	<u><b>14,970,345</b></u>
	<u>\$ 42,645,906</u>	<u>\$ 50,988,087</u>	<u>\$ 46,239,266</u>	<u><b>\$ 47,394,727</b></u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

## 11. LONG TERM DEBT

	2023	2022
Caterpillar Financial Services Limited financing payable, interest at 4.49%, repayable in monthly installments of \$5,732 (P&I), due July 2025, secured by assignment of title.	\$ 152,112	\$ 212,589
First Nations Finance Authority promissory note payable, interest at 3.41%, repayable in monthly installments of \$34,004 (P&I), due June 2028, secured by assignment of provincial gaming revenue and tax rebates.	5,595,968	5,802,747
First Nations Finance Authority promissory note payable, interest at 3.65%, repayable in monthly installments of \$24,735 (P&I), due June 2028, secured by assignment of provincial gaming revenue and tax rebates.	3,990,783	4,133,418
First Nations Finance Authority promissory note payable, interest at 2.72%, repayable in monthly installments of \$101,538 (P&I), due June 2028, secured by assignment of provincial gaming revenue and tax rebates.	18,206,734	18,853,649
First Nations Finance Authority promissory note payable, interest at 2.15%, repayable in monthly installments of \$105,783 (P&I), due June 2030, secured by assignment of provincial gaming revenue and tax rebates.	22,939,747	23,704,741
First Nations Finance Authority promissory note payable, interest at 1.90%, repayable in monthly installments of \$11,124 (P&I), due June 2030, secured by assignment of provincial gaming revenue and tax rebates.	2,588,661	2,672,012
C.M.H.C. mortgage, 1.12%, repayable in monthly installments of \$7,218 (P & I), due October 2026, secured by Ministerial Guarantee and assignment of all risks insurance.	702,028	780,324
Bank of Nova Scotia mortgage, 1.81%, repayable in monthly installments of \$5,136 (P & I), due August 2025, secured by Ministerial Guarantee and assignment of all risks insurance.	179,798	237,626
C.M.H.C. mortgage, 0.46%, repayable in monthly installments of \$4,020 (P & I), due March 2025, secured by Ministerial Guarantee and assignment of all risks insurance.	96,409	143,958
C.M.H.C. mortgage, 3.81%, repayable in monthly installments of \$4,698 (P & I), due March 2028, secured by Ministerial Guarantee and assignment of all risks insurance.	256,481	304,214
C.M.H.C. mortgage, 3.81%, repayable in monthly installments of \$3,098 (P & I), due March 2028, secured by Ministerial Guarantee and assignment of all risks insurance.	291,999	319,044

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

11. LONG TERM DEBT *(continued)*

	2 0 2 3	2 0 2 2
C.M.H.C. mortgage, 2.14%, repayable in monthly installments of \$4,506 (P & I), due March 2024, secured by Ministerial Guarantee and assignment of all risks insurance.	526,267	568,633
C.M.H.C. mortgage, 1.01%, repayable in monthly installments of \$4,383 (P&I), due August 2026, secured by Ministerial Guarantee and assignment of all risks insurance.	636,731	682,656
C.M.H.C. mortgage, 1.01%, repayable in monthly installments of \$5,195 (P & I), due August 2026, secured by Ministerial Guarantee and assignment of all risks insurance.	782,049	836,215
C.M.H.C. mortgage, 1.86%, repayable in monthly installments of \$5,224 (P & I), due April 2024, secured by Ministerial Guarantee and assignment of all risks insurance.	1,093,392	1,135,396
C.M.H.C. mortgage, 1.89%, repayable in monthly installments of \$3,482 (P & I), due November 2024, secured by Ministerial Guarantee and assignment of all risks insurance.	594,804	625,084
C.M.H.C. mortgage, 3.70%, repayable in monthly installments of \$4,618 (P & I), due December 2027, secured by Ministerial Guarantee and assignment of all risks insurance.	763,919	795,076
C.M.H.C. mortgage, 2.52%, repayable in monthly installments of \$5,720 (P & I), due September 2023, secured by Ministerial Guarantee and assignment of all risks insurance.	1,099,280	1,139,804
C.M.H.C. mortgage, 0.80%, repayable in monthly installments of \$5,866 (P & I), due May 2025, secured by Ministerial Guarantee and assignment of all risks insurance.	1,128,837	1,189,942
C.M.H.C. mortgage, 1.22%, repayable in monthly installments of \$4,360 (P & I), due May 2026, secured by Ministerial Guarantee and assignment of all risks insurance.	1,055,635	1,094,843
C.M.H.C. mortgage, 3.24%, repayable in monthly installments of \$6,313 (P & I), due May 2026, secured by Ministerial Guarantee and assignment of all risks insurance.	1,193,904	
C.M.H.C. mortgage advances to be converted to long term debt upon completion of Post-96 housing project.	<u>254,203</u>	<u>324,982</u>
	<u>\$ 64,129,741</u>	<u>\$ 65,556,953</u>

The scheduled principal amounts payable within the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2024	\$ 2,584,095
2025	2,603,454
2026	2,666,517
2027	2,731,285
2028	2,692,469

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

12. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2 0 2 3	Total 2 0 2 2
Buildings	\$ 104,807,670	\$ 2,880,376	\$ 107,688,046	\$ 47,131,649	\$ 2,289,785	\$ 49,421,434	\$ 58,266,612	\$ 57,676,021
Computers	2,002,655	119,476	2,122,131	1,258,978	161,774	1,420,752	701,379	743,677
Equipment	13,412,377	391,474	13,803,851	10,588,006	863,459	11,451,465	2,352,386	2,824,371
Land	3,339,218		3,339,218				3,339,218	3,339,218
Roads	14,324,431	10,374	14,334,805	5,816,776	319,827	6,136,603	8,198,202	8,507,655
Vehicles	7,834,277	757,780	8,592,057	5,920,581	673,799	6,594,380	1,997,677	1,913,696
Water and sewer	17,102,520	385,592	17,488,112	7,228,668	1,132,532	8,361,200	9,126,912	9,873,852
	<u>\$ 162,823,148</u>	<u>\$ 4,545,072</u>	<u>\$ 167,368,220</u>	<u>\$ 77,944,658</u>	<u>\$ 5,441,176</u>	<u>\$ 83,385,834</u>	<u>\$ 83,982,386</u>	<u>\$ 84,878,490</u>

13. CONSTRUCTION IN PROGRESS

	2 0 2 3	2 0 2 2
OCN Landfill Project	\$ 1,350,489	\$ 1,324,663
CFS - 5 Plex	574,893	249,840
CMHC Post-96 Project	19,009	1,529,319
CMHC Rapid Housing Initiatives	3,376,254	249,462
Indigenous Services Canada - 4 Unit project	1,245,319	720,771
Indigenous Services Canada - 2021/22 project	5,995	5,995
Amisk West Subdivision	11,195,759	3,045,673
	<u>\$ 17,767,718</u>	<u>\$ 7,125,723</u>

Construction in progress will be transferred to tangible capital assets upon completion and will be amortized accordingly.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

## 14. CONTINGENT LIABILITIES

- a) The individual incorporated entities have not made any provision for corporation capital taxes in the financial statements. Entities maintain they are exempt from corporation capital taxes because their beneficial shareholder, the Opaskwayak Cree Nation, is recognized as a Canadian Municipality under certain sections of the Income Tax Act, Canada, which exempts wholly-owned corporations of Canadian Municipalities from taxation.

Otineka Development Corporation Ltd. has won its appeal before the Tax Court of Canada which reaffirmed its status as a Canadian Municipality for Income Tax purposes. The decision applied only to corporation income taxes and not to Manitoba Corporation Capital Tax.

If the individual incorporated entities are found to be taxable for corporation capital tax purposes, payment of any taxes and interest owing will be accounted for in the year of determination.

- b) OCN has signed agreements with various government bodies for funding of programs which may require that surpluses be returned. If any amounts become repayable, they will be accounted for in the year of determination.

## 15. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 3	2 0 2 2
Arrangement: #1920-MB-000005	\$ 73,764,984	\$ 75,589,519
Arrangement: #1819-MB-000010	8,202,761	4,453,623
Plus: I.S.C. revenue deferred from prior year	21,572,768	15,453,405
F.N.I.H. revenue deferred from prior year	3,989,332	2,625,628
CFS maintenance top-up	768,337	59,260
Less: I.S.C. revenue deferred to following year	( 27,648,870)	( 21,572,768)
F.N.I.H. revenue deferred to following year	( 4,775,512)	( 3,989,332)
Recovery of MT Client Insured Services		( 155,521)
Recovery of Vision Care Eye Exams	-	( 66,421)
TOTAL I.S.C. AND F.N.I.H. REVENUE PER FINANCIAL STATEMENTS	\$ <u>75,873,800</u>	\$ <u>72,397,393</u>
REVENUE PER STATEMENT OF OPERATIONS (Statement 2)		
Indigenous Services Canada	\$ 64,907,656	\$ 60,322,823
First Nations and Inuit Health	<u>10,966,144</u>	<u>12,074,570</u>
	\$ <u>75,873,800</u>	\$ <u>72,397,393</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2023**

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**16. ECONOMIC DEPENDENCE**

Opaskwayak Cree Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada.

**17. RELATED PARTY TRANSACTIONS**

In the normal course of business the Cree Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the Cree Nation and related parties aggregate revenue and expenditures derived from related parties is not determinable.

**18. FINANCIAL INSTRUMENTS**

The Cree Nation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Cree Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments, except as otherwise disclosed.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations.

Financial instruments that subject the Cree Nation to significant credit risk consist of accounts receivable and loans receivable. Accounts receivable from funders such as Indigenous Services Canada or Canada Mortgage and Housing Corporation have minimal credit risk. The Cree Nation assesses counterparty payment performance on an on-going basis and to reduce its credit risk exposure has established a collections program. There is some geographical concentration of credit risk in the Opaskwayak Cree Nation region. There is a material concentration of credit risk in the cannabis industry. An allowance for doubtful accounts has been recognized for amounts for which management believes collection is doubtful.

Liquidity risk

Liquidity risk is the risk of being unable to generate sufficient cash or its equivalent in a timely and cost effective manner in order to meet commitments as they become due. The Cree Nation manages liquidity risk through its annual budgeting process, by maintaining sufficient cash on hand and through borrowing, when required.

Fair value

The Cree Nation accounts for its portfolio investments at fair value. Financial instruments reported at fair value are then categorized under a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2023**

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**18. FINANCIAL INSTRUMENTS** *(continued)*

The three levels of the fair value hierarchy are as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that management has the ability to access at the measurement date
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are not observable. There is little if any market activity. Inputs into the determination of fair value require significant judgement or estimation.

The Cree Nation has classified its portfolio investments accounted for at fair value as Level 1.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

## 19. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 3	2 0 2 2
Advertising and promotion	\$ 127,339	\$ 79,916
Amortization	5,441,175	6,382,550
Bad debts	1,241,915	221,167
Bank charges	109,415	84,560
Board and honoraria	389,175	323,068
Child and family services	5,174,680	5,005,287
Community initiatives and contributions	7,140,236	7,795,019
COVID-19 Response		1,545,139
Donations	37,872	21,192
Equipment	408,200	703,609
Fuel and oil	651,354	426,960
Insurance	1,266,185	990,936
Interest	1,718,421	1,654,029
Loss on investment	111,098	1,992,922
Non-Insured Health Benefits	2,089,533	1,816,286
Office and general	463,541	203,056
Other	817,960	1,597,889
Professional fees	4,180,052	4,884,395
Property taxes, grants in lieu and leases	417,860	289,323
Rent	863,922	867,364
Repairs and maintenance	2,523,206	2,184,515
Replacement reserve	285,537	293,659
Salaries and benefits	40,080,921	40,825,060
Social assistance	5,428,069	4,878,804
Student support	5,687,364	5,829,177
Supplies	3,711,110	2,196,717
Telephone	658,345	971,386
Training	616,578	354,721
Travel	2,232,800	956,047
Utilities	1,525,453	1,151,594
Eliminations	( 2,802,423)	( 2,482,635)
	<u>\$ 92,596,893</u>	<u>\$ 94,043,712</u>

## 20. COMPARATIVE FIGURES

Certain prior year comparative amounts have been reclassified where necessary to conform to the presentation adopted for the current year.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

21. SEGMENT DISCLOSURE

	Branch services		Care home		Child and family services		Education		Government services	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues										
Federal Government										
ISC	\$ 2,363,723	\$ 5,336,156	\$ 5,293,471	\$ 5,162,437	\$ 6,140,744	\$ 5,496,913	\$ 23,181,757	\$ 22,082,148	\$ 4,207,143	\$ 3,123,196
FNIH	252,700	252,708					97,443	530,442		
ESDC	<u>289,817</u>	<u>289,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,321,650</u>	<u>1,243,118</u>	<u>-</u>	<u>-</u>
Subtotal	2,906,240	5,878,682	5,293,471	5,162,437	6,140,744	5,496,913	24,600,850	23,855,708	4,207,143	3,123,196
Other revenue	<u>13,066,354</u>	<u>6,505,391</u>	<u>369,953</u>	<u>360,980</u>	<u>5,586,731</u>	<u>5,633,923</u>	<u>1,040,281</u>	<u>777,433</u>	<u>879,248</u>	<u>1,972,920</u>
Total revenue	<u>15,972,594</u>	<u>12,384,073</u>	<u>5,663,424</u>	<u>5,523,417</u>	<u>11,727,475</u>	<u>11,130,836</u>	<u>25,641,131</u>	<u>24,633,141</u>	<u>5,086,391</u>	<u>5,096,116</u>
Expenses										
Amortization	686		433,724	427,882	113,574	107,989	953,396	1,925,725		
Debt servicing	1,540,658	1,483,019			156	104	1,551			
Other	8,074,524	8,581,327	1,786,418	1,489,091	7,170,753	6,545,721	9,756,957	9,317,023	2,157,795	2,196,521
Salaries and benefits	<u>2,763,760</u>	<u>2,922,768</u>	<u>3,862,427</u>	<u>3,739,685</u>	<u>3,916,371</u>	<u>3,701,568</u>	<u>14,839,461</u>	<u>14,281,847</u>	<u>2,903,822</u>	<u>3,857,251</u>
Total expenses	<u>12,379,628</u>	<u>12,987,114</u>	<u>6,082,569</u>	<u>5,656,658</u>	<u>11,200,854</u>	<u>10,355,382</u>	<u>25,551,365</u>	<u>25,524,595</u>	<u>5,061,617</u>	<u>6,053,772</u>
Surplus (Deficit)	<u>\$ 3,592,966</u>	<u>\$ ( 603,041)</u>	<u>\$ ( 419,145)</u>	<u>\$ ( 133,241)</u>	<u>\$ 526,621</u>	<u>\$ 775,454</u>	<u>\$ 89,766</u>	<u>\$ ( 891,454)</u>	<u>\$ 24,774</u>	<u>\$ ( 957,656)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

21. SEGMENT DISCLOSURE (continued)

	Health		Housing		Infrastructure		Lands and natural resources		Social	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues										
Federal Government										
ISC	\$ 428,612	\$ 568,003	\$ 1,003,285	\$ 1,109,279	\$ 14,410,806	\$ 9,078,553	\$ 657,825	\$ 1,683,332	\$ 7,220,290	\$ 6,682,806
FNIH	10,616,001	11,291,420								
CMHC			3,976,933	981,335						
Other	<u>834,969</u>	<u>366,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	11,879,582	12,225,971	4,980,218	2,090,614	14,410,806	9,078,553	657,825	1,683,332	7,220,290	6,682,806
Other revenue	<u>2,506,130</u>	<u>3,120,553</u>	<u>3,172,821</u>	<u>2,648,381</u>	<u>164,866</u>	<u>1,585,859</u>	<u>1,081,777</u>	<u>719,969</u>	<u>-</u>	<u>-</u>
Total revenue	<u>14,385,712</u>	<u>15,346,524</u>	<u>8,153,039</u>	<u>4,738,995</u>	<u>14,575,672</u>	<u>10,664,412</u>	<u>1,739,602</u>	<u>2,403,301</u>	<u>7,220,290</u>	<u>6,682,806</u>
Expenses										
Amortization	447,784	485,111	1,078,642	1,068,298	2,406,543	2,359,270			6,826	8,275
Debt servicing			167,745	153,215	8,311	17,675				16
Other	6,885,100	7,450,010	2,066,943	1,683,917	3,424,690	3,131,306	800,683	1,793,347	6,034,936	5,476,445
Salaries and benefits	<u>6,452,261</u>	<u>6,888,456</u>	<u>991,311</u>	<u>1,132,050</u>	<u>2,325,853</u>	<u>2,358,081</u>	<u>848,804</u>	<u>741,490</u>	<u>1,176,851</u>	<u>1,201,864</u>
Total expenses	<u>13,785,145</u>	<u>14,823,577</u>	<u>4,304,641</u>	<u>4,037,480</u>	<u>8,165,397</u>	<u>7,866,332</u>	<u>1,649,487</u>	<u>2,534,837</u>	<u>7,218,613</u>	<u>6,686,600</u>
Surplus (Deficit)	<u>\$ 600,567</u>	<u>\$ 522,947</u>	<u>\$ 3,848,398</u>	<u>\$ 701,515</u>	<u>\$ 6,410,275</u>	<u>\$ 2,798,080</u>	<u>\$ 90,115</u>	<u>\$ ( 131,536)</u>	<u>\$ 1,677</u>	<u>\$ ( 3,794)</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

### 21. SEGMENT DISCLOSURE *(continued)*

	Eliminations		TOTAL	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues				
Federal Government				
ISC	\$	\$	\$ 64,907,656	\$ 60,322,823
FNIH			10,966,144	12,074,570
CMHC			3,976,933	981,335
ESDC			1,611,467	1,532,936
Other	<u>-</u>	<u>-</u>	<u>834,969</u>	<u>366,548</u>
Subtotal			82,297,169	75,278,212
Other revenue	<u>( 2,802,423)</u>	<u>( 2,482,635)</u>	<u>25,065,738</u>	<u>20,842,774</u>
Total revenue	<u>( 2,802,423)</u>	<u>( 2,482,635)</u>	<u>107,362,907</u>	<u>96,120,986</u>
Expenses				
Amortization			5,441,175	6,382,550
Debt servicing			1,718,421	1,654,029
Other	( 2,802,423)	( 2,482,635)	45,356,376	45,182,073
Salaries and benefits	<u>-</u>	<u>-</u>	<u>40,080,921</u>	<u>40,825,060</u>
Total expenses	<u>( 2,802,423)</u>	<u>( 2,482,635)</u>	<u>92,596,893</u>	<u>94,043,712</u>
Surplus (Deficit)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>14,766,014</u>	\$ <u>2,077,274</u>