
RED PHEASANT CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

RED PHEASANT CREE NATION

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MARCH 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Red Pheasant 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 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 are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and are 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 Red Pheasant Cree Nation and meet when required.



Chief



Councillor



Councillor



Councillor



Councillor

Councillor

INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Red Pheasant Cree Nation

Opinion

We have audited the accompanying consolidated financial statements of Red Pheasant Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, change in net debt, 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 Red Pheasant Cree Nation as at March 31, 2022, 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 Red Pheasant 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Red Pheasant 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 Red Pheasant Cree Nation or to cease operations, or has no realistic alternative but to do so.

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

(continued.....)

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Red Pheasant 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 Red Pheasant 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 Red Pheasant 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

Winnipeg, Manitoba
January 4, 2023

RED PHEASANT CREE NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2022	2021
FINANCIAL ASSETS		
Cash	\$ 2,500,734	\$ 519,744
Restricted cash (Note 3)	2,632,834	1,219,472
Accounts Receivable (Note 4)	312,841	208,637
Investments (Note 5)	<u>723,357</u>	<u>159,678</u>
	<u>6,169,766</u>	<u>2,107,531</u>

LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	2,240,483	2,242,777
Deferred revenue (Note 7)	1,359,407	615,282
Long term debt (Note 9)	<u>21,255,928</u>	<u>18,397,788</u>
	<u>24,855,818</u>	<u>21,255,847</u>
NET DEBT	<u>(18,686,052)</u>	<u>(19,148,316)</u>

NON-FINANCIAL ASSETS		
TANGIBLE CAPITAL ASSETS (Note 18)	24,594,004	25,052,998
PREPAID EXPENSES	<u>92,605</u>	<u>67,232</u>
	<u>24,686,609</u>	<u>25,120,230</u>
ACCUMULATED SURPLUS (Note 6)	\$ <u>6,000,557</u>	\$ <u>5,971,914</u>
CONTINGENT LIABILITIES (Note 10)		

Approved by Chief and Council

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Chief

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Councillor

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Councillor

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Councillor

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Councillor

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Councillor

RED PHEASANT CREE NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2022	2021
REVENUE			
Indigenous Services Canada	\$ 16,771,473	\$ 16,771,473	\$ 12,760,247
Canada Mortgage and Housing Corporation	174,282	174,282	154,019
First Nation Gaming Trust	417,624	417,624	547,768
Saskatchewan Indian Institute of Technologies	190,000	62,583	279,264
Other revenue	860,000	869,488	1,848,592
Recovered - ISC		(75,703)	
Deferred from prior year	615,282	615,282	932,821
Deferred to next year	(1,360,000)	(1,359,407)	(615,282)
	<u>17,668,661</u>	<u>17,475,622</u>	<u>15,907,429</u>
EXPENDITURES			
Administration	460,000	460,537	324,157
Education	4,750,000	4,739,270	5,406,605
Reserves	90,000	70,876	89,190
Community wellness	2,600,000	2,604,724	2,802,861
Infrastructure	1,500,000	1,503,576	1,067,900
First Nation programs	1,800,000	1,832,488	1,808,962
Capital projects	1,500,000	1,465,667	1,947,294
Community and economic development	1,750,000	1,751,038	2,019,141
Housing	220,000	218,879	323,992
Social services	<u>2,887,584</u>	<u>2,887,584</u>	<u>-</u>
	<u>17,557,584</u>	<u>17,534,639</u>	<u>15,790,102</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>111,077</u>	\$ (<u>59,017</u>)	\$ <u>117,327</u>

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

		YEAR ENDED MARCH 31	
	BUDGET (UNAUDITED)	2022	2021
ANNUAL SURPLUS (DEFICIT)	\$ <u>111,077</u>	\$(<u>59,017</u>)	\$ <u>117,327</u>
Acquisition of tangible capital assets	(<u>1,200,000</u>)	(<u>1,191,460</u>)	(<u>7,323,871</u>)
Amortization of tangible capital assets	<u>1,750,000</u>	<u>1,650,454</u>	<u>1,439,315</u>
	<u>550,000</u>	<u>458,994</u>	(<u>5,884,556</u>)
(Acquisition) use of construction in progress	<u>-</u>	<u>-</u>	<u>859,757</u>
(Acquisition) use of prepaid expenses	(<u>25,000</u>)	(<u>25,373</u>)	(<u>10,718</u>)
Ottawa trust revenue recorded		87,660	6,435
Ottawa trust disbursements received	<u>-</u>	<u>-</u>	(<u>45,000</u>)
	<u>-</u>	87,660	(<u>38,565</u>)
CHANGE IN NET DEBT FOR YEAR	636,077	462,264	(<u>4,956,755</u>)
NET DEBT, <i>beginning of year</i>	(<u>19,148,316</u>)	(<u>19,148,316</u>)	(<u>14,191,561</u>)
NET DEBT, <i>end of year</i>	<u>\$(18,512,239)</u>	<u>\$(18,686,052)</u>	<u>\$(19,148,316)</u>

RED PHEASANT CREE NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2022	2021
<i>OPERATING ACTIVITIES</i>		
Cash received from funding agencies	\$ 16,736,380	\$ 14,131,583
Cash received from other sources	815,867	1,349,786
Cash paid to suppliers and other	(11,934,208)	(7,984,366)
Cash paid to employees	(3,842,568)	(3,495,333)
Interest paid	(135,458)	(313,755)
	<u>1,640,013</u>	<u>3,687,915</u>
<i>INVESTING ACTIVITIES</i>		
Purchase of tangible capital assets	(1,191,460)	(11,023,178)
Ottawa trust - net	87,660	(38,565)
	<u>(1,103,800)</u>	<u>(11,061,743)</u>
<i>FINANCING ACTIVITIES</i>		
Proceeds from long-term debt	4,197,485	8,349,427
Repayment of long-term debt	(1,339,346)	(250,125)
	<u>2,858,139</u>	<u>8,099,302</u>
NET INCREASE IN CASH DURING YEAR	3,394,352	725,474
CASH, <i>beginning of year</i>	<u>1,739,216</u>	<u>1,013,742</u>
CASH, <i>end of year</i>	\$ <u>5,133,568</u>	\$ <u>1,739,216</u>
 <i>CASH COMPRISED OF</i>		
Cash	\$ 2,500,734	\$ 519,744
Restricted funds	<u>2,632,834</u>	<u>1,219,472</u>
	\$ <u>5,133,568</u>	\$ <u>1,739,216</u>

RED PHEASANT CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. OPERATIONS

Red Pheasant Cree Nation ("the Cree Nation") is located in the province of Saskatchewan, and provides various services to its members. The Cree Nation's financial reporting includes all related entities which are accountable to the Cree Nation and are either owned or controlled by the Cree Nation.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprises, which are included in the consolidated financial statements on a modified equity basis. Under the modified equity of accounting, only the Cree Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustments are made for accounting policies of the enterprises that are different from those of the Cree Nation.

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

- Red Pheasant Cree Nation Administration
- Red Pheasant Cree Nation Education Inc.
- Red Pheasant Cree Nation Housing Authority.

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

Government business enterprises accounted for by the modified equity basis include:

- Red Pheasant Cree Nation Developments GP Corporation
- Red Pheasant Centex Operations GP Corp.

BASIS OF PRESENTATION

Sources of revenue and expenses are recorded using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of the legal obligation to pay.

CASH AND CASH EQUIVALENTS

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

FUNDS HELD IN OTTAWA TRUST

Funds held in the Ottawa Trust Fund on behalf of the Cree Nation members by the Government of Canada are reported as restricted cash. Trust monies consists of:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**TANGIBLE CAPITAL ASSETS*

Tangible capital assets are initially recorded at cost based on historical cost accounting records.

Tangible capital assets are amortized annually using the declining balance method (except where noted) at rates intended to amortize the cost of the assets over their estimated useful lives:

Buildings	40 years	straight line
Equipment	20%	declining balance
Computer equipment	50%	declining balance
Vehicles	30%	declining balance
Furniture and fixtures	20%	declining balance
Mobile homes	25 years	straight line
Building improvements	40 years	straight line
Social housing	25 years	straight line
Infrastructure	25 years	straight line
Leased equipment	5 years	straight line

In the year of acquisition, amortization is taken at one-half of the above rates.

LONG-LIVED ASSETS

Long-lived assets consists of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Cree Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of the asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in the statement of operations for the year in which the asset becomes impaired.

NON-FINANCIAL ASSETS

The Cree Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

NET DEBT

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**REVENUE RECOGNITION*

Government transfer revenue is recognized as it becomes receivable under the terms of applicable agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the statement of financial position in the year of receipt, and is matched with the related department expenses in the year of their occurrence.

Other revenue is recognized by the Cree Nation when services are provided or goods are shipped.

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

EMPLOYEE FUTURE BENEFITS

The Cree Nation's employee future benefit program consists of a defined contribution pension plan. Nation contributions to the defined contribution plan are expensed as incurred.

PROVISION FOR SITE REHABILITATION

Environmental law requires appropriate closure and post-closure care of landfill sites. This would include covering and landscaping of the site, ongoing environmental monitoring, site inspection and maintenance. No liability has been recorded as of March 31, 2022 as funding from agencies will offset any cost associated with the closure of landfill sites.

SEGMENTS

The Cree Nation conducts its business through ten reportable segments as identified in Note 12. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

FINANCIAL INSTRUMENTS

Financial instruments include cash, investments, accounts receivable, accounts payable and accrued liabilities. Unless otherwise stated, it is management's opinion that Red Pheasant Cree Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the carrying value of the financial assets and liabilities approximates their fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**MEASUREMENT UNCERTAINTY*

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after estimates as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Inventory is stated after provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

3. RESTRICTED CASH

	2022	2021
Secured Revenues Trust Account - First Nation Finance Authority	\$ 796,733	\$ 784,685
School Project - RBC Current Account	21,842	281,369
Ottawa Trust	130,435	42,774
Maurice Law Trust	1,553,807	
Funded reserves - CMHC	<u>130,017</u>	<u>110,654</u>
	<u>\$ 2,632,834</u>	<u>\$ 1,219,482</u>

4. ACCOUNTS RECEIVABLE

	2022	2021
Indigenous Services Canada	\$ 296,785	\$ 158,400
Canada Mortgage and Housing Corporation	14,524	14,524
The Saskatchewan Indian training Assessment Group (SITAG)		34,021
Treaty Six Education Council Inc.	<u>1,532</u>	<u>1,692</u>
	<u>\$ 312,841</u>	<u>\$ 208,637</u>

5. INVESTMENTS

Red Pheasant Cree Nation Developments GP Corporation	\$ 471,044	\$ 146,243
Red Pheasant Centex Operation GP Corp.	238,878	
BATC Investments Ltd.	13,335	13,335
Miskisiw Oilfield Services Ltd.	<u>100</u>	<u>100</u>
	<u>\$ 723,357</u>	<u>\$ 159,678</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade payables and accrued liabilities	\$ 2,033,270	\$ 2,070,997
Indigenous Services Canada	78,476	16,628
Payroll liabilities	<u>128,737</u>	<u>155,152</u>
	<u>\$ 2,240,483</u>	<u>\$ 2,242,777</u>

7. DEFERRED REVENUE

	2022	2021
Indigenous Services Canada - Education Programs		
Instructional Services	\$ 619,967	\$ 285,250
Operation and Maintenance	108,195	89,660
Student Support	114,887	66,108
Post Secondary	347,740	165,000
Major Capital Design Construction	9,151	9,264
Child Nutrition	45,534	
Cultural	37,738	
School Second Level Services	<u>76,195</u>	<u></u>
	<u>\$ 1,359,407</u>	<u>\$ 615,282</u>

8. ACCUMULATED SURPLUS

	2022	2021
Unrestricted	\$ 5,870,122	\$ 5,929,139
Restricted- Ottawa Trust	<u>130,435</u>	<u>42,775</u>
	<u>\$ 6,000,557</u>	<u>\$ 5,971,914</u>

UNRESTRICTED

	2022	2021
Opening balance	\$ 5,929,139	\$ 5,811,902
Annual surplus (deficit)	(59,017)	117,237
	<u>\$ 5,870,122</u>	<u>\$ 5,929,139</u>

RESTRICTED - OTTAWA TRUST

	2022	2021
Opening balance	\$ 42,775	\$ 81,340
Income - net of disbursements	<u>87,660</u>	<u>(38,565)</u>
	<u>\$ 130,435</u>	<u>\$ 42,775</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

9. LONG TERM DEBT

	2022	2021
Royal Bank - repayable in quarterly interest installments at prime (2.70%) plus 0.75%. Secured by the AM Trust Europe insurance policy. Repayable in full by the earliest of receipt of funds pursuant to claim settlement or 60 months.	\$ 1,136,318	\$
Royal Bank - repayable in quarterly interest installments at prime (2.70%) plus 0.50%. Secured by the AM Trust Europe insurance policy. Repayable in full by the earliest of receipt of funds pursuant to claim settlement or 60 months.	2,950,303	
First Nation Finance Authority - demand loan repayable in monthly installments of \$34,529 including interest at 2.72% compounded monthly. Secured by First Nations Trust revenue and fuel and tobacco tax rebates.	7,207,349	7,951,471
First Nation Finance Authority - demand loan repayable in monthly installments of \$25,766 including interest at 1.90% compounded monthly. Secured by First Nations Trust revenue and fuel and tobacco tax rebates.	7,750,740	7,377,240
CMHC - repayable in monthly installments of \$5,698. Interest at 0.40% compounded monthly. Secured by a loan guarantee from Indigenous and Northern Affairs Canada.	659,271	721,702
CMHC - repayable in monthly installments of \$4,638. Interest at 0.98% compounded monthly. Secured by a loan guarantee from Indigenous and Northern Affairs Canada.	683,239	731,954
CMHC - repayable in monthly installments of \$2,795. Interest at 0.71% compounded monthly. Secured by a loan guarantee from Indigenous and Northern Affairs Canada.	436,699	467,023
Maurice Law - repaid during the year.		600,000
John Deere Capital Lease - monthly lease payments \$4,195. Implicit interest a 5.29% per annum.	36,704	83,744
John Deere Capital Lease - repaid during the year.		17,906
John Deere Capital Lease - monthly lease payments \$4,195. Implicit interest a 3.25% per annum.	5,082	15,023
Ford Credit - vehicle loan, repayable in monthly installments of 1,198 including interest at 1.99% per annum.	36,144	49,652
Ford Credit - vehicle loan, repayable in monthly installments of 1,549 including interest at 6.16% per annum.	27,933	44,249
Ford Credit - vehicle loan, repayable in monthly installments of 11,842 including interest at 6.92% per annum.	215,283	337,824
Ford Credit - water truck loan, repayable in monthly installments of 1,045 including interest at 5.87% per annum.	110,863	-
	<u>\$ 21,255,928</u>	<u>\$ 18,397,788</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

9. LONG TERM DEBT *(continued)*

The estimated annual principal payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2023	\$ 1,473,202
2024	1,417,555
2025	1,417,259
2026	1,426,775
2027	1,412,859
Thereafter	<u>14,108,278</u>
	<u>\$21,255,928</u>

10. CONTINGENT LIABILITIES

The Nation is subject to funding recoveries according to their agreements with federal government agencies. At year-end, it was not yet determined to what extent any funding amounts related to the year ending March 31, 2022 might be recovered by these agencies.

A claim has been filed with the Court of Queen's Bench and the outcome was not certain as of March 31, 2022. Red Pheasant Cree Nation versus Downer Holdings Inc. and D.C. Gravel Inc. The Plaintiffs have commenced an action against the Nation for the sum of \$285,000. Following a Trial in the Court of Queen's Bench in September 2012, a portion of the claim was found to be unenforceable. A portion of the claim remains unresolved totaling sums in excess of \$50,000. The First Nation has counter-claimed against the Plaintiffs in the sum of \$4,281,500. The action is currently dormant.

Mr. Peyachew - Transportation Clerk retired on July 31, 2019 and made a claim for 15 years of owed vacation pay totaling \$60,000. Mr. Peyachew is limited to a claim for two years of vacation pay if able to establish that it is owing to him. The action had not commenced as at the balance sheet date.

A claim has been filed by Mary Linda Whitford and Alicia Moosomin with the Federal Court of Canada against Red Pheasant Cree Nation Council to set aside the election results of March 2020 election. The total value of the claim for costs could be in the range of \$250,000 and the outcome was not certain as of March 31, 2022.

11. SUBSEQUENT EVENT

COVID-19

Since March 31, 2022, the novel strain of coronavirus, specifically identified as "COVID-19", had affected economies around the world resulting in economic downturn. As the impact of COVID-19 continue, there could be further impact on the First Nation, its members, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the First Nation's assets and future ability to deliver services and projects.

The duration and impact of COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and the severity of these developments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

12. ECONOMIC DEPENDENCE

The Nation receives a majority of its revenue from Indigenous Services Canada as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

13. SEGMENTS

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

Administration - includes administration and governance activities.

Social Services - include activities related to the delivery of social programs

Education - includes the operations of the education programs

Infrastructure - includes improving and maintenance of the Community and its infrastructure.

Capital Projects - includes activities related to major improvements and renovations in the Community.

Community Wellness - reports on the Cree Nation's funding related to health and welfare.

Community and Economic Development - includes activities related to the economic development of the community, including its commercial operations.

Housing - includes activities related to the development and sustainment of on-reserve housing.

First Nation Programs - activities include delivering recreational activities.

Reserves - includes resources that are to be used in the case of emergency.

14. BUDGET INFORMATION

The disclosed budget information has been approved by the Chief and Council of Red Pheasant Cree Nation. The budget figures have not been audited, reviewed or otherwise verified and consequently we do not express an opinion on them.

15. RECONCILIATION OF ISC FUNDING

	2022	2021
ISC funding per financial statements	\$ 6,027,348	\$ 3,077,786
Less: prior year deferred revenue	(615,282)	(932,821)
Add: current year deferred revenue	<u>1,359,407</u>	<u>615,282</u>
ISC funding per funding confirmation	<u>\$16,771,473</u>	<u>\$12,760,247</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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16. CONSOLIDATED EXPENDITURES BY OBJECT

	2022	2021
Amortization	\$ 1,650,454	\$ 1,439,314
Bank charges and interest	135,458	313,755
Community support	2,350,816	1,201,485
Compensation	3,842,568	3,495,333
Contracts	1,717,770	3,021,720
Office and administration	548,372	366,776
Professional fees	876,608	812,440
Other goods and services acquired for the Community	2,340,725	1,588,929
Repairs and maintenance	1,404,860	784,887
Student support	1,762,616	1,747,008
Training	74,363	148,313
Travel and accommodations	<u>830,029</u>	<u>870,142</u>
	<u>\$17,534,639</u>	<u>\$15,790,102</u>

17. COMPARATIVE FIGURES

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

RED PHEASANT CREE NATION

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MARCH 31, 2022

18. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2022	Total 2021
Buildings	\$ 11,033,644	\$ 194,927	\$ 11,228,571	\$ 2,374,543	\$ 281,670	\$ 2,656,213	\$ 8,572,358	\$ 8,659,101
CMHC Housing	3,023,470		3,023,470	644,720	141,470	786,190	2,237,280	2,378,750
Infrastructure	10,533,096	223,000	10,756,096	3,283,546	266,115	3,549,661	7,206,435	7,249,550
Equipment	3,737,822		3,737,822	1,934,679	397,708	2,332,387	1,405,435	1,803,143
Farm Equipment	247,175		247,175	52,102	39,015	91,117	156,058	195,073
Band Hall	1,373,405		1,373,405	444,640	34,335	478,975	894,430	928,765
Arena	2,221,683		2,221,683	1,543,080	55,542	1,598,622	623,061	678,603
Social Housing	6,405,128		6,405,128	4,819,327	160,128	4,979,455	1,425,673	1,585,801
Mobile Homes	1,119,185	655,900	1,775,085	225,506	52,966	278,472	1,496,613	893,679
Vehicles	1,068,939	117,633	1,186,572	389,406	221,505	610,911	575,661	679,533
Land	1,000	-	1,000	-	-	-	1,000	1,000
	<u>\$ 40,764,547</u>	<u>\$ 1,191,460</u>	<u>\$ 41,956,007</u>	<u>\$ 15,711,549</u>	<u>\$ 1,650,454</u>	<u>\$ 17,362,003</u>	<u>\$ 24,594,004</u>	<u>\$ 25,052,998</u>

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MARCH 31, 2021

19. SEGMENTED DISCLOSURE	Administration		Reserves		Community Wellness		Social Services	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues								
Federal Government								
ISC	\$ 529,908	\$ 412,578	\$ 78,495	\$ 95,182	\$ 2,878,454	\$ 3,058,390	\$ 2,887,584	\$
CMHC								
Deferred from previous year								
ISC recovery	(75,703)	-	-	-	-	-	-	-
Subtotal	454,205	412,578	78,495	95,182	2,878,454	3,058,390	2,887,584	
Other revenue	-	-	-	-	-	113,027	-	-
Total revenue	454,205	412,578	78,495	95,182	2,878,454	3,171,417	2,887,584	-
Expenditures								
Amortization								
Debt servicing	30,148	20,952						
Other	216,117	86,236	16,243	22,545	1,720,046	2,002,795	2,887,584	
Salaries and benefits	214,272	216,969	54,633	66,645	884,678	800,066	-	-
Total expenditures	460,537	324,157	70,876	89,190	2,604,724	2,802,861	2,887,584	-
Surplus (Deficit)	\$ (6,332)	\$ 88,421	\$ 7,619	\$ 5,992	\$ 273,730	\$ 368,556	\$ -	\$ -

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MARCH 31, 2021

	Infrastructure		First Nation Programs		Capital Projects	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Federal Government						
ISC	\$ 1,661,347	\$ 868,204	\$	\$	\$ 570,279	\$ 1,165,131
CMHC						
Deferred from previous year		80,000				
ISC recovery	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>1,661,347</u>	<u>948,204</u>			<u>570,279</u>	<u>1,165,131</u>
Other revenue	<u>-</u>	<u>-</u>	<u>1,154,055</u>	<u>2,131,309</u>	<u>-</u>	<u>133,745</u>
Total revenue	<u>1,661,347</u>	<u>948,204</u>	<u>1,154,055</u>	<u>2,131,309</u>	<u>570,279</u>	<u>1,298,876</u>
Expenditures						
Amortization	144,448	120,154			1,220,101	1,058,200
Debt servicing			62,012	230,140		23,786
Other	1,069,913	780,033	1,467,869	1,284,198	245,575	865,308
Salaries and benefits	<u>289,215</u>	<u>167,713</u>	<u>302,598</u>	<u>294,624</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,503,576</u>	<u>1,067,900</u>	<u>1,832,479</u>	<u>1,808,962</u>	<u>1,465,676</u>	<u>1,947,294</u>
Surplus (Deficit)	\$ <u>157,771</u>	\$ <u>(119,696)</u>	\$ <u>(678,424)</u>	\$ <u>322,347</u>	\$ <u>(895,397)</u>	\$ <u>(648,418)</u>

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MARCH 31, 2021

	Education		Community and Economic Development		Housing		TOTAL	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues								
Federal Government								
ISC	\$ 5,409,835	\$ 5,308,641	\$ 2,755,571	\$ 1,852,121	\$ -	\$ -	\$ 16,771,473	\$ 12,760,247
CMHC					174,282	154,019	174,282	154,019
Deferred from previous year	615,282	852,821					615,282	932,821
Deferred to next year	(1,359,407)	(615,282)					(1,359,407)	(615,282)
ISC recovery	-	-	-	-	-	-	(75,703)	-
Subtotal	4,665,710	5,546,180	2,755,571	1,852,121	174,282	154,019	16,125,927	13,231,805
Other revenue	69,517	52,566	62,583	188,262	63,540	56,715	1,349,695	2,675,624
Total revenue	4,735,227	5,598,746	2,818,154	2,040,383	237,822	210,734	17,475,622	15,907,429
Expenditures								
Amortization	144,435	147,920			141,470	113,040	1,650,454	1,439,314
Debt servicing	24,010	17,345			19,288	21,532	135,458	313,755
Other	2,732,503	3,459,515	1,492,188	1,851,650	58,121	189,420	11,906,159	10,541,700
Salaries and benefits	1,838,322	1,781,825	258,850	167,491	-	-	3,842,568	3,495,333
Total expenditures	4,739,270	5,406,605	1,751,038	2,019,141	218,879	323,992	17,534,639	15,790,102
Surplus (Deficit)	\$ (4,043)	\$ 192,141	\$ 1,067,116	\$ 21,242	\$ 18,943	\$ (113,258)	\$ (59,017)	\$ 117,327