

Shoal Lake Cree Nation

Consolidated Financial Statements

March 31, 2022

Shoal Lake Cree Nation

Management's Responsibility for Financial Reporting

March 31, 2022

The consolidated financial statements have been prepared by management in accordance with the Public Sector Accounting Standards (PSAS) of the Chartered Professional Accountants of Canada (CPA) and the reporting requirements of the funding agreement with Indigenous Services Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the presentation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the consolidated financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as 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 review the financial statements and the external auditors' report.

McClelland Debusschere CPA PC Inc., an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on File

Shoal Lake Cree Nation Chief

Signature on File

Director of Finance



McClelland Debusschere

Chartered Professional Accountants
Assurance Tax Advisory

Independent Auditors' Report

To the Members of
Shoal Lake Cree Nation

Opinion

We have audited the consolidated financial statements of Shoal Lake 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 flow 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 financial position of Shoal Lake Cree Nation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with the 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 Consolidated Financial Statements section of our report. We are independent of the cree nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with 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 these consolidated financial statements, management is responsible for assessing the cree nation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the cree nation or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the cree nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



McClelland Debusschere

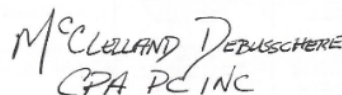
Chartered Professional Accountants
Assurance Tax Advisory

Independent Auditors' Report

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Cree Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Saskatoon, SK
March 25, 2024

Chartered Professional Accountants

Shoal Lake Cree Nation

Consolidated Statement of Financial Position March 31, 2022

	2022	2021
Financial Assets		
Cash	\$ 545,270	\$ 569,499
Restricted assets (Note 2)	3,255,830	2,077,161
Accounts receivable (Note 3)	628,286	468,427
Trust funds held by federal government (Note 4)	667	654
Investments in Government Partnerships (Note 5)	1,808,806	1,509,030
	6,238,859	4,624,771
Financial Liabilities		
Accounts payable and accruals (Note 7)	988,195	677,121
Deferred revenue (Note 8)	7,587,961	5,452,889
Long term debt (Note 9 and 10)	1,988,469	2,610,441
	10,564,625	8,740,451
Net Debt	(4,325,766)	(4,115,680)
Non-financial Assets		
Tangible capital assets (Note 11)	18,186,207	17,358,462
Accumulated Surplus (Note 12)	\$ 13,860,441	\$ 13,242,782
Contingencies (Note 13)		

Approved on behalf of the Cree Nation:

Signature on File _____, Chief

Signature on File _____, Councilor

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Consolidated Statement of Operations For the Year Ended March 31, 2022

	2022 Budget	2022	2021
Revenue			
Grants and Contributions			
Indigenous Services Canada (Note 14)	\$ 6,338,792	\$ 15,042,078	\$ 11,592,424
First Nations and Inuit Health Branch	668,328	-	681,383
Prince Albert Grand Council	1,015,048	1,170,561	1,054,608
Canada Mortgage and Housing Corporation	-	273,975	269,400
First Nations Trust	320,400	197,117	243,539
Nechapanuk Centre Child and Family Services	-	51,350	206,245
Northern Lights Community Development Corp.	-	35,000	26,078
Rental revenue	35,400	300,330	309,791
Other revenue	145,238	212,150	123,753
Specific claim negotiation reimbursement	-	290,199	87,584
Administration fees	446,447	1,006,802	1,040,175
Expense recovery	-	207,185	-
Insurance proceeds	-	-	21,750
Income from government business partnerships	-	349,776	(198,826)
Recognition (deferral) of unexpended funds	-	(2,135,072)	(2,186,927)
	8,969,653	17,001,451	13,270,977
Expenses			
Band administration (schedule 1)	1,022,676	3,590,323	2,629,341
Band Based Capital/Housing (schedule 2)	232,073	751,482	1,003,800
Capital projects (schedule 3)	-	1,782,007	614,960
Community infrastructure (schedule 4)	558,834	1,157,454	581,574
Economic development (schedule 5)	113,861	244,996	201,964
Education (schedule 6)	3,813,907	4,449,545	3,861,772
Health (schedule 7)	1,383,701	2,750,969	2,580,003
Other programs (schedule 8)	317,922	601,120	421,727
Social development (schedule 9)	1,411,628	1,883,641	1,676,720
Amortization	-	1,104,617	1,156,388
	8,854,602	18,316,154	14,728,249
Current surplus before transfers	115,051	(1,314,703)	(1,457,272)
Transfers			
Transfer to capital assets	-	1,932,362	614,960
Current surplus (deficit)	115,051	617,659	(842,312)
Accumulated surplus - Beginning of the year	13,242,782	13,242,782	14,085,094
Accumulated surplus - End of the year	\$ 13,357,833	\$ 13,860,441	\$ 13,242,782
Expense by object disclosure (Note 15)			

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Consolidated Statement of Changes in Net Debt For the Year Ended March 31, 2022

	2022 Budget	2022	2021
Annual surplus (deficit)	\$ 115,051	\$ 617,659	\$ (842,312)
Acquisition of tangible capital assets	-	(1,932,362)	(843,848)
Amortization of tangible capital assets	-	1,104,617	1,156,388
Change in net debt during the year	115,051	(210,086)	(529,772)
Net debt - Beginning of year	(4,115,680)	(4,115,680)	(3,585,908)
Net debt - End of year	\$ (4,000,629)	\$ (4,325,766)	\$ (4,115,680)

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Consolidated Statement of Cash Flows For the Year Ended March 31, 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Annual surplus (deficit)	\$ 617,659	\$ (842,312)
Non-cash items:		
Amortization	1,104,617	1,156,388
Net income from government partnerships	(349,776)	198,826
Change in working capital items:		
Change in accounts receivable	(159,859)	70,293
Change in restricted assets - capital projects	(1,178,670)	(761,019)
Change in accounts payable and accruals	311,074	18,119
Change in unexpended revenue	2,135,073	2,186,927
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	2,480,118	2,027,222
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in trust funds held by federal government	(13)	(8)
Distributions from government partnerships	50,000	50,000
NET CASH USED BY INVESTING ACTIVITIES	49,987	49,992
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long term debt	(621,972)	(362,642)
CAPITAL ACTIVITIES:		
Tangible capital asset purchases	(1,932,362)	(843,848)
Net cash increase (decreases)	(24,229)	870,724
Cash (bank indebtedness) at beginning of year	569,499	(301,225)
Cash at end of year	\$ 545,270	\$ 569,499

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

Shoal Lake Cree Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include the Shoal Lake Cree Nation government and all related entities which are accountable to the Cree Nation and are either owned or controlled by the Cree Nation.

The reporting entity Shoal Lake Cree Nation is governed by elected officials from the Shoal Lake Cree Nation.

1. Significant Accounting Policies

a. Basis of Accounting

These consolidated financial statements have been prepared in accordance with Public Sector Accounting Standards (PSAS) prescribed for governments as recommended by the Chartered Professional Accountants of Canada.

b. Principles of Consolidation

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

Shoal Lake Cree Nation - Operations
Shoal Lake Cree Nation - Section 95 Social Housing Operation

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Under the modified equity method of accounting, only Shoal Lake Cree Nation's investment in the government business partnership and its net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Shoal Lake Cree Nation. Entities recorded under the modified equity method include:

Prince Albert Development Corporation
Prince Albert First Nations Business Development LP

Long-term investments in non-controlled entities are recorded at the lower of cost or net realizable value.

c. Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to 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 assets, prepaid expenses and inventory of supplies.

d. Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial assets is determined by its financial assets less liabilities. Net debt or net financial assets is comprised of two components, non-financial assets and accumulated surplus.

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

e. Cash

Cash includes cash on hand, balances with banks net of bank overdrafts, and term deposits having a maturity of 90 days or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Any cash that is legally restricted from use is recorded in restricted assets. Cash and deposits are considered restricted when they are subject to contingent rights of third parties.

f. Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Cree Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2022.

At each financial reporting date, the Cree Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Cree Nation continues to recognize the liability until it's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. There are no known liabilities at March 31, 2022.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

g. Tangible capital assets

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

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Shoal Lake Cree Nation's incremental cost of borrowing.

Amortization is provided for on a declining balance basis over their estimated useful lives. Half a year of amortization is recorded in the year of acquisition.

Vehicle and equipment	10-30%
Buildings	10%
Infrastructure	5%
Housing	4%

Tangible capital assets are written down when conditions indicate that they no longer contribute to Shoal Lake Cree Nation's ability to provide goods and 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 be reasonably 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.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

h. 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 assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable and member advances are assessed for collectability annually and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Payroll at year end is examined to determine an appropriate accrual for wages payable.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements.

i. Segments

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

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

j. Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

k. Revenue recognition

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

Government transfers, which includes transfers from Indigenous Services Canada, Prince Albert Grand Council, First Nation and Inuit Health Branch, Nechapanuk Centre Child and Family Services, Canada Mortgage and Housing Corporation, First Nations Trust, and Northern Lights Community Development Corporation are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

Other revenues, which includes insurance proceeds, specific claim reimbursements, rental revenue, expense recoveries and administration fees are recognized when they are earned.

Earnings from government partnerships are recorded based on the modified equity method, based on the ownership percentage held and reported income of the other entities.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed. Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

l. Recognition of expenses

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

m. Investments

Portfolio investments which are owned by Shoal Lake Cree Nation but not controlled or influenced by the Cree Nation are recorded using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported at.

n. Pension Plan

The Shoal Lake Cree Nation provides a defined contribution plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid to the employee.

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

o. Leased assets

Leased assets that transfer substantially all the benefits and risks of ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Cree Nation, and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

p. Funds held in Ottawa Trust Fund

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

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

q. Other Economic Interests

The Nation is a member of the Prince Albert Grand Council. The Prince Albert Grand Council is an organization of 12 Nations.

The Nation does not either share in the control or the profit or loss of the PAGC. As a result, the financial statements of the PAGC have not been consolidated or proportionately consolidated with the financial statements of Shoal Lake Cree Nation.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

2. Restricted assets

The Cree Nation has received federal assistance through the CMHC, pursuant to Section 95 of the National Housing Act, to reduce mortgage interest and enable the Cree Nation to provide housing to members. The continuation of this interest rate reduction is contingent on the Cree Nation being in compliance with the terms of the agreement, which requires that a monthly amount be set aside to provide for major renovations to Nation housing in future years.

The Cree Nation has established a replacement reserve to ensure replacement of buildings financed by the CMHC, as well as a reserve related to surpluses generated in the post-1996 program, which are to be set aside and used to meet future subsidy requirements of income tested occupants over and above the maximum federal assistance.

The CMHC reserve funds must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by the CMHC. Reserve withdrawals are credited first to interest and then to principal.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Restricted assets are comprised of the following:

	2022	2021
Funds held for capital projects	\$ 2,625,936	\$ 1,629,007
CMHC replacement reserve	629,894	448,154
	\$ 3,255,830	\$ 2,077,161

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

3. Accounts receivable

	2022	2021
Due from members	\$ 566,624	\$ 566,268
Less: allowance for doubtful accounts	(561,268)	(561,268)
	5,356	5,000
ISC	507,883	35,001
GST rebates	42,860	57,049
Northern Lights Community Development Corp.	42,477	74,930
CMHC	22,621	22,341
Insurance proceeds	7,089	53,385
Prince Albert Grand Council	-	198,721
Nechapanuk Centre CFS	-	22,000
	\$ 628,286	\$ 468,427

4. Trust funds held by federal government

	2022	2022	2022	2021
	Revenue	Capital	Total	Total
Surplus, beginning of year	\$ 654	\$ -	\$ 654	\$ 646
Interest earned	13	-	13	8
	\$ 667	\$ -	\$ 667	\$ 654

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

5. Investments in Government Partnerships

Commercial enterprises are those organizations that meet the definition of government partnerships as described by Public Sector Accounting Standards of CPA Canada. Government partnerships have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside of the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government. These partnerships are formed by multiple governments coming together to attain a common goal.

Investments in Government Partnerships consists of the following:

	2022	2021
Prince Albert First Nations Business Development LP - 8.33% ownership	\$ 1,784,153	\$ 1,486,964
Prince Albert Development Corporation - 8.33% ownership	24,653	22,066
	\$ 1,808,806	\$ 1,509,030

During the fiscal year, the Cree Nation received \$50,000 (2021 - \$50,000) of distributions from Prince Albert First Nations Business Development Limited Partnership.

Summarized financial information for the investments in Government Partnerships for the year ending March 31, 2022 is as follows:

	Prince Albert Development Corporation	Prince Albert First Nations Business Development LP	2022	Prince Albert Development Corporation	Prince Albert First Nations Business Development LP	2021
Balance sheet						
Cash	\$ -	\$ 325,138	\$ 325,138	\$ -	\$ 486,663	\$ 486,663
Other assets	302,074	20,908,980	21,211,054	292,398	20,324,171	20,616,569
	302,074	21,234,118	21,536,192	292,398	20,810,834	21,103,232
Liabilities	12,233	127,606	139,839	10,873	71,888	82,761
Equity	289,841	21,106,512	21,396,353	281,525	20,738,946	21,020,471
	302,074	21,234,118	21,536,192	292,398	20,810,834	21,103,232
Income statement						
Income (loss)	9,676	1,228,195	1,237,871	(20,614)	(1,634,494)	(1,655,108)
Expenses	1,360	260,631	261,991	1,360	426,948	428,308
	\$ 8,316	\$ 967,564	\$ 975,880	\$ (21,974)	\$ (2,061,442)	\$ (2,083,416)

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

6. Bank indebtedness

The Cree Nation has an approved overdraft limit of \$200,000 with First Nations Bank bearing interest at prime plus 1.85%. The operating loan is secured by a Band Council Resolution authorizing redirection of ISC funding, a general security agreement, and access to on-reserve assets.

The draw on the line of credit is \$nil (2021 - \$nil).

7. Accounts payable and accruals

	2022	2021
Trade accounts payable	\$ 395,482	\$ 357,625
Wages payable	293,881	77,206
Prince Albert Grand Council	172,047	238,032
Indigenous Services Canada	126,785	4,258
	\$ 988,195	\$ 677,121

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

8. Unexpended revenue

ISC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to ISC, deferred to the following year, or transferred to another ISC program area.

	Beginning of year	Contributions received (recognized)	2022
ISC - Instructional services	\$ 904,372	\$ 142,792	\$ 1,047,164
ISC - Basic needs (Covid)	330,302	353,911	684,213
ISC - Water systems	284,475	129,443	413,918
ISC - Immediate needs construction	-	331,319	331,319
ISC - Immediate needs housing - Lot servicing	250,000	-	250,000
ISC - CDCM - Pub Health NS & CHRS	-	211,628	211,628
ISC - Post secondary student support program	163,199	34,204	197,403
ISC - Social assistance employment & training	136,593	26,798	163,391
ISC - Special needs (Covid)	132,658	-	132,658
ISC - Immediate needs renovations	163,000	(50,305)	112,695
ISC - Roads & bridges	-	101,751	101,751
ISC - Waste diversion program	62,733	-	62,733
ISC - Special needs	46,438	10,360	56,798
ISC - Social delivery	-	46,416	46,416
ISC - Professional capacity development	22,000	-	22,000
ISC - Employee Benefits - Statutory	-	19,043	19,043
ISC - FN School Second Level	-	18,065	18,065
ISC - Capacity & financial training	15,000	-	15,000
ISC - Service Delivery Infrastructure	-	1,349	1,349
ISC - Waste water systems	232,437	(232,437)	-
ISC - DPMP Initiative governance capacity	29,152	(29,152)	-
ISC - Firehall re-opening	16,449	(16,449)	-
ISC - Basic needs	65,846	(65,846)	-
ISC - Covid-19 ICSF3 food security	111,393	(111,393)	-
ISC - Enhanced kindergarten	123,512	(123,512)	-
ISC - Solid waste	57,856	(57,856)	-
ISC - Indigenous community business fund	3,600	(3,600)	-
ISC - Community opportunity readiness program	9,089	(9,089)	-
ISC - Community development governance capacity	28,955	(28,955)	-
ISC - Community development capacity innovation	3,317	(3,317)	-
	3,192,376	695,168	3,887,544

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

8. Unexpended revenue continued

	Beginning of year	Contributions received (recognized)	2022
Capital funding			
ISC - SPS upgrades	103,123	1,121,280	1,224,403
ISC - SWTS Cleanup	-	615,379	615,379
ISC - Immediate needs housing (renos & additions)	360,524	-	360,524
ISC - School renovation	-	330,000	330,000
ISC - Lagoon upgrades & expansion	278,793	(17,029)	261,764
ISC - School ground drainage	223,361	(17,176)	206,185
ISC - Drainage study	-	158,567	158,567
ISC - School assessment	29,130	121,195	150,325
ISC - Teacherages	-	150,000	150,000
ISC - WTP filter replacement	944,912	(903,670)	41,242
ISC - Immediate needs housing (construction)	16,504	-	16,504
ISC - Garbage truck replacement	83,113	(83,113)	-
	2,039,460	1,475,433	3,514,893
Other Funding			
PAGC - Headstart	221,053	(66,375)	154,678
NLCDC	-	15,743	15,743
PAGC - Daycare	-	15,103	15,103
	221,053	(35,529)	185,524
	\$ 5,452,889	\$ 2,135,072	\$ 7,587,961

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

9. Long term debt

	2022	2021
CMHC Loans		
CMHC Phase 5 loan bearing interest at 1.75% per annum, repayable in monthly blended payments of \$803. The loan is secured by a ministerial loan guarantee. The loan will be renewed on June 1, 2024.	\$ 21,196	\$ 30,354
CMHC Phase 6 loan bearing interest at 1.3% per annum, repayable in monthly blended payments of \$1,494. The loan is secured by a ministerial loan guarantee. The loan will be renewed on October 1, 2025.	62,850	80,094
CMHC Phase 7 loan bearing interest at 1.75% per annum, repayable in blended monthly payments of \$1,342. The loan is secured by a ministerial loan guarantee. The loan will be renewed on October 1, 2024.	101,291	115,495
CMHC Phase 8 loan bearing interest at 1.86% per annum, repayable in monthly blended payments of \$4,134. The loan is secured by a ministerial loan guarantee. The loan will be renewed on June 1, 2024.	321,813	365,022
CMHC Phase 9 loan bearing interest at 1.06% per annum, repayable in monthly blended payments of \$2,064. The loan is secured by a ministerial loan guarantee. The loan will be renewed on October 1, 2025.	87,056	110,794
CMHC Phase 10 loan bearing interest at 1.13% per annum, repayable in monthly blended payments of \$3,986. The loan is secured by a ministerial loan guarantee. The loan will be renewed on May 1, 2026.	194,601	239,958
CMHC Phase 11 loan bearing interest at 1.75% per annum, repayable in monthly blended payments of \$3,655. The loan is secured by a ministerial loan guarantee. The loan will be renewed on October 1, 2024.	279,099	317,725
CMHC Phase 12 loan bearing interest at 1.75% per annum, repayable in monthly blended payments of \$2,588. The loan is secured by a ministerial loan guarantee. The loan will be renewed on October 1, 2024.	206,818	234,014
CMHC Phase 13 loan bearing interest at 0.74% per annum, repayable in monthly blended payments of \$3,158. The loan is secured by a ministerial loan guarantee. The loan will be renewed on February 1, 2026.	501,073	535,134
	1,775,797	2,028,590
Other Loans		
FNB loan bearing interest at prime plus 0.75% per annum, repayable in monthly payments of \$4,948 plus interest. The loan matures on March 1, 2023 and is secured by a Band Council Resolution authorizing redirection of 100% of First Nations Trust gaming distributions and 100% of Northern Lights Community Development Corporation distributions and assignment of term deposits and credit balances issued by the First Nation in the amount of \$475,000.	118,750	178,124
Legacy Bus loan on the purchase of a bus bearing interest at 8.5% per annum, repayable in monthly payments of \$1,889. The loan matures on January 1, 2025.	56,907	73,946
Glenmor loan on the purchase of a Tractor bearing 0% interest, repayable in monthly payments of \$402. The loan matures on July 2, 2026.	20,925	25,754
Glenmor loan on the purchase of a Tractor bearing 0% interest, repayable in monthly payments of \$347. The loan matures on July 2, 2024.	9,717	13,882
Glenmor loan on the purchase of a Tractor bearing 0% interest, repayable in monthly payments of \$228. The loan matures on July 2, 2024.	6,373	9,104
FNB loan matured in March 2022	-	229,167
Glenmor loan on the purchase of a track loader bearing 0% interest, repayable in monthly payments of \$1,297. The loan matures on July 2, 2024. The loan was paid prematurely on Feb. 2022.	-	51,874
	\$1,988,469	\$2,610,441

The amount of debt repayable in subsequent periods is estimated at:

2023	342,057
2024	349,618
2025	286,720
2026	244,524
2027	179,607
Subsequent years	585,943

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2022

10. Debt covenant violation

Shoal Lake Cree Nation's loan agreements are subject to covenant clauses, whereby the Cree Nation is required to meet certain key conditions set out in the loan agreement. The Cree Nation did not fulfil the covenants as required by one of the agreements. Due to this breach, the lender is entitled to request immediate repayment of the loan, however they have waived this right and as such the debt is classified as non-current.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

11. Tangible capital assets

March 31, 2022	CMHC Houses	Band Housing	Buildings	Infrastructure	Vehicles & Equipment	Assets Under Construction	Total
Cost							
Balance, beginning of year	\$ 6,238,556	\$ 5,482,369	\$ 15,883,760	\$ 16,273,496	\$ 1,563,588	\$ 771,919	\$ 46,213,688
Additions	-	-	-	-	267,420	1,909,564	2,176,984
Disposals	-	-	-	-	-	(244,622)	(244,622)
	6,238,556	5,482,369	15,883,760	16,273,496	1,831,008	2,436,861	48,146,050
Accumulated amortization							
Balance, beginning of year	3,655,806	3,247,101	13,177,349	7,451,531	1,323,439	-	28,855,226
Amortization	252,793	89,411	270,641	441,098	50,674	-	1,104,617
	3,908,599	3,336,512	13,447,990	7,892,629	1,374,113	-	29,959,843
	2,329,957	2,145,857	2,435,770	8,380,867	456,895	2,436,861	18,186,207
March 31, 2021							
Cost							
Balance, beginning of year	6,238,556	5,482,369	15,883,760	16,273,496	1,334,700	156,959	45,369,840
Additions	-	-	-	-	228,888	614,960	843,848
	6,238,556	5,482,369	15,883,760	16,273,496	1,563,588	771,919	46,213,688
Accumulated amortization							
Balance, beginning of year	3,407,145	3,153,965	12,876,637	6,987,217	1,273,874	-	27,698,838
Amortization	248,661	93,136	300,712	464,314	49,565	-	1,156,388
	3,655,806	3,247,101	13,177,349	7,451,531	1,323,439	-	28,855,226
	\$ 240,149	\$ 2,235,268	\$ 2,582,750	\$ 2,706,411	\$ 8,821,965	\$ 771,919	\$ 17,358,462

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

12. Accumulated surplus

	2022	2021
Equity in capital assets	\$16,197,739	\$14,748,021
Equity in investments	1,808,806	1,509,030
CMHC reserves	776,032	881,568
Operating fund	(4,922,136)	(3,895,837)
	\$13,860,441	\$13,242,782

- The operating fund reports on the general activities of the Cree Nation's administration;
- Equity in capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services;
- Equity in investments reports on commercial business operations owned by the Cree Nation; and
- The CMHC reserves are replacement and operating reserves required to be funded for future housing replacements, as per agreements with CMHC.

13. Contingencies

Shoal Lake Cree Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the Cree Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Shoal Lake Cree Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Shoal Lake Cree Nation's financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

14. Reconciliation of ISC revenue

The Cree Nation has entered into funding arrangements with Indigenous Services Canada. The funds are used by the Cree Nation to administer its operations and provide service to its members in accordance with the terms of the funding arrangement. Funding received under these contribution agreements is subject to repayment if the Cree Nation fails to comply with the terms and conditions of the agreements. ISC revenue consists of the following:

	2022	2021
ISC - Flexible	\$ 7,206,858	\$ 5,975,590
ISC - Fixed	6,803,762	5,140,218
ISC - Set	549,000	22,032
ISC - Grant	482,458	454,584
	<u>\$ 15,042,078</u>	<u>\$ 11,592,424</u>

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

15. Expenses by object

	2022	2022	2021
	Budget	Actual	Actual
Salaries and benefits	\$ 3,802,463	\$ 4,109,452	\$ 3,690,743
Construction	-	1,632,960	333,541
Social assistance - basic needs	1,005,759	1,438,744	1,264,847
Covid-19 assistance	-	1,337,168	1,728,238
Administration fees	502,288	1,170,182	1,038,885
Amortization of tangible assets	-	1,104,617	1,156,388
Professional fees	99,329	894,862	495,313
Repairs and maintenance	387,165	870,643	666,671
Travel expenses	346,083	840,580	339,832
Transportation program costs	463,558	769,633	705,206
Supplies	289,487	737,745	474,099
Member assistance	177,284	578,550	462,453
Utilities	256,153	482,318	424,341
Insurance	140,025	398,978	282,273
Student expenses	446,527	381,896	432,973
Emergency evacuation	-	319,357	-
Sub-contracts	46,626	291,594	67,748
Program Activities	494,009	245,404	765,015
Training and Workshops	16,540	176,010	1,070
Capital Purchases	15,562	169,988	210,612
Community Events	-	112,064	-
Social assistance - special needs	80,123	83,018	88,057
Interest on long term debt	69,937	41,869	53,765
Therapist and Grief Sessions	-	38,855	-
Meetings	-	38,088	-
Bank charges and interest	7,154	13,039	17,543
Contracts	-	11,500	-
Covid Expenses	-	10,985	-
Vehicle operation costs	3,600	9,568	700
Other operating expenses	204,930	3,908	-
Program activities	-	2,180	-
Transfers to reserves	-	399	30,790
Bad debt expense (recovery)	-	-	(2,854)
Total expenses before transfers	8,854,602	18,316,154	14,728,249
Transfer to capital assets	-	(1,932,362)	(614,960)
	\$ 8,854,602	\$ 16,383,792	\$ 14,113,289

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

16. Specific Claim

In 2019, Shoal Lake Cree Nation initiated a treaty benefits claim against the Government of Canada. The Cree Nation has obtained a loan through a pre-settlement trust to finance the costs of negotiating a settlement on the claim. Insurance has been obtained by the pre-settlement trust to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time a claim is resolved.

As of March 31, 2022, expenses of \$629,554 have been incurred and available financing drawn on this claim. The Cree Nation anticipates the loans will be paid from settlement proceeds. When the claim is finalized or the insurance proceeds are paid out, the amounts will be recognized as revenue.

17. Funded reserves

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the First Nation established the following:

- The replacement reserve to ensure replacement of capital equipment and for major repairs to housing units, which requires an annual cash allocation of \$75,528 to the reserve. At March 31, 2022, the reserve is required to be funded to a level of \$1,018,936 (2021 - \$934,808). At March 31, 2022, the cash balance in the reserve is \$629,894 (2021 - \$448,154)
- An operating surplus reserve established for housing units under the Post 1996 Fixed Subsidy Program which requires surpluses to be funded with cash. Future operating losses are able to draw on the reserve funds to sustain operations. At March 31, 2022, the reserve is required to be funded to a level of \$(297,980) (2021 - \$(167,776)). At March 31, 2022, the cash balance in the reserve is \$nil (2021 - \$nil)

In accordance with terms of the agreement, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and the to principal.

18. Economic dependence

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

19. ISC funding

The Cree Nation (Recipient) receives funding from Indigenous Services Canada (ISC) by entering into an agreement with ISC:

There are five approaches that ISC may consider in the design and delivery of transfer payment programs:

1. Grant approach – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. Set contribution approach – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to ISC annually.
3. Fixed contribution approach – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by ISC. A plan must be submitted and approved by ISC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by ISC.
4. Flexible contribution approach – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to ISC at the end of the project, program or agreement.
5. Block contribution approach – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by ISC.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

20. Segmented information

The Cree Nation conducts its business through reportable segments as follows:

1 - Indigenous Services Canada

Band Administration: Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations, and to defray the costs of administering programs on behalf of the member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Band Based Capital, Housing, & Capital Projects: Costs to acquire, construct, operate and maintain band housing and basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Community Infrastructure & Economic Development: Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education: Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with ISC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labour market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide Internet access, information technology equipment, technical support and training to students and school staff.

Social Development: First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

20. Segmented information continued

2 - Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3 - Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

4 - Other Programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

21. Pension Plan

The Shoal Lake Cree Nation and eligible employees participate in a defined contribution pension plan.

Shoal Lake Cree Nation's financial obligation is limited to providing contribution at a specific rate in respect of employee's current service. The employee contribution rate as a percentage of salary was 3-8% (2021 3-8%), the employer contribution rate as a percentage of salary was 3-8% (2021 - 3-8%).

22. Annual Surplus Net of Capital Related Revenues and Amortization

	2022	2021
Annual surplus (deficit) as per Statement of Operations	\$ 617,659	\$ (842,312)
Less capital related revenues included in annual surplus		
Federal government transfers recognized	(1,739,566)	(614,960)
	(1,121,907)	(1,457,272)
Loss (income) from government business partnerships	(349,776)	198,826
Amortization expense included in annual surplus	1,104,617	1,156,388
	\$ (367,066)	\$ (102,058)

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2022

23. Financial Instruments

Financial assets include cash, restricted assets, trust funds held by the Federal Government, accounts receivable, and investments in government partnerships, and are measured at amortized cost as presented on the consolidated statement of financial position, except for the trusts funds held by the Federal Government which are measured at fair value, and government partnerships which are measured using the modified equity method.

Financial liabilities include accounts payable, deferred revenue and long-term debt and are measured at amortized cost as presented on the consolidated statement of financial position.

The Cree Nation is not subject to currency risk, credit risk, or other price risk. The following are the significant risks to which the Cree Nation is exposed:

Interest rate risk

The Cree Nation is exposed to interest rate cash flow risk to the extent that its loans payable are at a floating rate of interest. The Cree Nation is also exposed to interest rate price risk to the extent that agreements receivable are at a fixed rate of interest.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this risk, the Cree Nation maintains a portion of its invested assets in liquid securities.

Market risk

Market risk is the risk that financial instruments fair values will fluctuate due to changes in market prices. The significant market risks to which the Cree Nation is exposed are interest rate risk and price risk.

Credit Risk

Financial instruments that potentially subject the Cree Nation to credit risk are accounts receivable. Management performs regular credit assessments on its receivables and provides allowances for potentially uncollectable receivables.

24. Budgeted figures

The disclosed budget has been approved by the Chief and Council on September 2, 2021. The budget only includes those activities managed directly by the Nation. No amounts have been budgeted for capital projects, CMHC operations or amortization.

25. Comparative figures

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Schedule #1

Band Administration

Schedule of Operations

For the Year Ended March 31, 2022

(unaudited)

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Flexible	\$ 111,738	\$ 1,090,962	\$ 1,278,577
ISC - Grant	363,642	482,458	454,584
ISC - Fixed	8,792	292,735	196,547
Prince Albert Grand Council	61,569	29,599	10,000
Specific claim negotiation reimbursement	-	290,198	87,584
Nechapanuk Centre Child and Family Services	-	-	61,645
Other revenue	64,500	120,193	97,457
Administration fees	446,447	1,006,802	1,039,408
Expense recovery	-	207,185	-
Recognition (deferral) of unexpended funds	-	121,502	(35,323)
	1,056,688	3,641,634	3,190,479
Expenses			
Covid-19 assistance	-	1,049,342	1,011,154
Professional fees	75,000	544,650	133,110
Salaries and benefits	556,564	531,624	635,784
Travel expenses	185,660	503,501	134,148
Administration fees	(24,184)	341,703	192,092
Member assistance	60,000	215,509	130,466
Supplies	44,376	112,938	31,648
Sub-contracts	-	80,288	-
Utilities	43,745	72,077	68,570
Repairs and maintenance	-	41,682	-
Insurance	4,424	34,285	-
Meetings	-	31,213	-
Interest on long term debt	69,937	16,144	23,345
Bank charges and interest	7,154	12,757	14,925
Other operating expenses	-	2,610	-
Program activities	-	-	256,953
Bad debt expense (recovery)	-	-	(2,854)
	1,022,676	3,590,323	2,629,341
Current surplus (deficit)	\$ 34,012	\$ 51,311	\$ 561,138

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Schedule #2

Band Based Capital/Housing
Schedule of Operations
For the Year Ended March 31, 2022
(unaudited)

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Flexible	\$ 216,360	\$ 216,360	\$ 416,360
ISC - Fixed	15,713	-	-
Rental revenue	-	262,980	287,841
Canada Mortgage and Housing Corporation	-	273,975	269,400
Insurance proceeds	-	-	21,750
Other revenue	-	2,175	-
Recognition (deferral) of unexpended funds	-	53,622	(154,417)
	232,073	809,112	840,934
Expenses			
Repairs and maintenance	128,525	385,582	556,759
Insurance	90,977	253,839	278,143
Administration fees	12,571	62,676	82,676
Interest on long term debt	-	25,725	30,420
Professional fees	-	17,217	11,100
Supplies	-	3,980	9,568
Travel expenses	-	1,780	3,421
Transfers to reserves	-	399	30,790
Bank charges and interest	-	284	335
Salaries and benefits	-	-	588
	232,073	751,482	1,003,800
Current surplus (deficit)	\$ -	\$ 57,630	\$ (162,866)

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Schedule #3

Capital Projects
Schedule of Operations
For the Year Ended March 31, 2022
(unaudited)

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Flexible	\$ -	\$ 3,053,760	\$ 1,621,000
ISC - Fixed	-	535,000	25,000
Recognition (deferral) of unexpended funds	-	(1,806,753)	(1,031,040)
	-	1,782,007	614,960
Expenses			
Construction	-	1,632,962	333,540
Professional fees	-	101,375	70,808
Repairs and maintenance	-	42,441	-
Administration fees	-	5,229	-
Capital Purchases	-	-	210,612
	-	1,782,007	614,960
Current surplus before transfers	-	-	-
Transfers			
Transfer to capital assets	-	1,739,566	614,960
Current surplus (deficit)	\$ -	\$ 1,739,566	\$ 614,960

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Schedule #4

Community Infrastructure
Schedule of Operations
For the Year Ended March 31, 2022
(unaudited)

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Fixed	\$ 407,692	\$ 882,176	\$ 748,191
ISC - Flexible	-	-	36,526
Prince Albert Grand Council	126,500	241,363	151,568
Other revenue	23,938	14,731	13,324
Recognition (deferral) of unexpended funds	-	75,548	(388,575)
	558,130	1,213,818	561,034
Expenses			
Salaries and benefits	230,261	397,336	184,353
Repairs and maintenance	160,278	286,676	54,245
Sub-contracts	46,626	193,241	28,605
Utilities	60,644	127,569	118,055
Administration fees	4,888	88,218	98,279
Travel expenses	12,364	31,503	16,320
Supplies	26,695	27,469	46,625
Insurance	17,078	5,442	2,580
Professional fees	-	-	32,512
	558,834	1,157,454	581,574
Current surplus before transfers	(704)	56,364	(20,540)
Transfers			
Transfer to capital assets	-	22,798	-
Current surplus (deficit)	\$ (704)	\$ 79,162	\$ (20,540)

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Schedule #5

Economic Development
Schedule of Operations
For the Year Ended March 31, 2022
(unaudited)

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Fixed	\$ -	\$ 135,245	\$ 165,036
ISC - Flexible	42,500	42,500	56,157
Prince Albert Grand Council	18,100	18,100	18,100
Other revenue	20,000	-	-
Recognition (deferral) of unexpended funds	-	41,644	(41,644)
	80,600	237,489	197,649
Expenses			
Transportation program costs	-	125,320	-
Salaries and benefits	67,920	53,847	44,380
Travel expenses	-	22,275	-
Administration fees	8,141	17,775	22,119
Supplies	18,000	16,690	20,707
Professional fees	-	9,089	20,469
Program activities	19,800	-	93,895
Sub-contracts	-	-	394
	113,861	244,996	201,964
Current surplus (deficit)	\$ (33,261)	\$ (7,507)	\$ (4,315)

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Schedule #6

Education
Schedule of Operations
For the Year Ended March 31, 2022
(unaudited)

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Fixed	\$ 3,859,461	\$ 4,450,548	\$ 3,803,725
ISC - Flexible	-	127,776	28,704
Rental revenue	35,400	37,350	21,950
Administration fees	-	-	765
Recognition (deferral) of unexpended funds	-	(71,549)	37,501
	3,894,861	4,544,125	3,892,645
Expenses			
Salaries and benefits	2,251,737	2,414,112	2,209,682
Administration fees	371,110	457,832	383,393
Student expenses	446,527	381,896	432,973
Supplies	134,325	372,683	248,924
Utilities	116,487	219,121	193,339
Professional fees	17,580	204,930	187,240
Repairs and maintenance	77,171	108,950	51,458
Insurance	18,798	93,615	194
Travel expenses	57,490	86,272	63,150
Training and Workshops	16,540	70,337	1,070
Sub-contracts	-	18,065	38,749
Contracts	-	11,500	-
Meetings	-	4,225	-
Vehicle operation costs	-	3,827	-
Recreational Activities	-	2,180	-
Program Activities	85,650	-	51,600
Other operating expenses	204,930	-	-
Capital Purchases	15,562	-	-
	3,813,907	4,449,545	3,861,772
Current surplus (deficit)	\$ 80,954	\$ 94,580	\$ 30,873

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Schedule #7

Health

Schedule of Operations

For the Year Ended March 31, 2022

(unaudited)

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Flexible	\$ -	\$ 654,135	\$ 809,875
ISC - Fixed	-	148,120	33,274
ISC - Set	-	526,000	-
First Nations and Inuit Health Branch	668,328	-	681,383
Prince Albert Grand Council	785,534	854,829	849,047
Other revenue	36,800	2,670	2,198
Recognition (deferral) of unexpended funds	-	(160,356)	(221,053)
	1,490,662	2,025,398	2,154,724
Expenses			
Transportation program costs	462,250	643,416	705,151
Salaries and benefits	530,183	557,912	470,284
Emergency evacuation	-	319,357	-
Covid-19 assistance	-	287,826	717,084
Supplies	51,547	175,572	97,219
Capital Purchases	-	169,988	-
Administration fees	50,328	148,684	237,167
Travel expenses	64,230	138,807	103,058
Community Events	-	112,064	-
Utilities	35,276	63,552	44,375
Therapist and Grief Sessions	-	38,855	-
Training and Workshops	-	22,040	-
Professional fees	6,750	17,599	40,075
Program Activities	149,597	17,513	159,325
Insurance	8,749	11,796	1,356
Covid Expenses	-	10,985	-
Vehicle operation costs	3,600	5,741	700
Repairs and maintenance	21,191	5,311	4,209
Meetings	-	2,650	-
Other operating expenses	-	1,301	-
	1,383,701	2,750,969	2,580,003
Current surplus before transfers	106,961	(725,571)	(425,279)
Transfers			
Transfer to capital assets	-	169,998	-
Current surplus (deficit)	\$ 106,961	\$ (555,573)	\$ (425,279)

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Schedule #8

Other Programs
Schedule of Operations
For the Year Ended March 31, 2022
(unaudited)

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
First Nations Trust	\$ 320,400	\$ 197,117	\$ 243,539
Nechapanuk Centre Child and Family Services	-	51,350	144,600
Northern Lights Community Development Corp.	-	35,000	26,078
Other revenue	-	72,383	10,776
ISC - Fixed	-	187,741	-
Deferral of unexpended funds	-	(15,743)	-
Income from government business partnerships	-	349,776	(198,826)
	320,400	877,624	226,167
Expenses			
Member assistance	96,560	327,540	310,937
Program activities	136,612	226,606	106,378
Administration fees	52,250	26,124	-
Salaries and benefits	32,500	15,000	-
Travel expenses	-	5,850	4,412
	317,922	601,120	421,727
Current surplus (deficit)	\$ 2,478	\$ 276,504	\$ (195,560)

The accompanying notes are an integral part of these financial statements.

Shoal Lake Cree Nation

Schedule #9

Social Development
Schedule of Operations
For the Year Ended March 31, 2022
(unaudited)

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Flexible	\$ 1,202,991	\$ 2,021,365	\$ 1,728,391
ISC - Fixed	87,871	172,197	168,445
ISC - Set	22,032	23,000	22,032
Prince Albert Grand Council	23,345	26,670	25,893
Recognition (deferral) of unexpended funds	-	(372,988)	(352,376)
	1,336,239	1,870,244	1,592,385
Expenses			
Social assistance - basic needs	1,005,758	1,438,744	1,264,847
Salaries and benefits	133,297	139,617	145,672
Training and Workshops	-	83,633	-
Social assistance - special needs	80,123	83,018	88,057
Travel expenses	26,339	50,593	15,324
Member assistance	20,724	35,500	21,050
Supplies	14,545	28,413	19,407
Administration fees	27,184	21,941	23,159
Program activities	102,350	1,285	96,865
Transportation program costs	1,308	897	55
Bank charges and interest	-	-	2,284
	1,411,628	1,883,641	1,676,720
Current surplus (deficit)	\$ (75,389)	\$ (13,397)	\$ (84,335)

The accompanying notes are an integral part of these financial statements.