



Canoe Lake Cree First Nation
Consolidated Financial Statements
March 31, 2020



Canoe Lake Cree First Nation Contents

For the year ended March 31, 2020

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Management's Responsibility



To the Members of Canoe Lake Cree First Nation:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Canoe Lake Cree First Nation Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

March 17, 2021

Signed By: Bobby Iron

Administrator

Independent Auditor's Report

To the Members of Canoe Lake Cree First Nation:

Opinion

We have audited the consolidated financial statements of Canoe Lake Cree First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, accumulated surplus, 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 the First Nation as at March 31, 2020, and the results of its consolidated operations, changes in its consolidated net debt 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 Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Notes 10 and 11 to the consolidated financial statements, which describe that Canoe Lake Cree First Nation has an outstanding claim against the Government of Canada for damages sustained by the First Nation. The First Nation is financing the costs of these negotiations through bank loans and has taken insurance to repay the loans should the settlement proceeds not be sufficient to repay the loans. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Chief and Council for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Chief and Council are responsible for overseeing the First Nation's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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.

Independent Auditor's Report (Continued from previous page)

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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 First 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 First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Saskatoon, Saskatchewan

March 17, 2021

MNP LLP

Chartered Professional Accountants



Canoe Lake Cree First Nation

Consolidated Statement of Financial Position

As at March 31, 2020

	2020	2019 As restated (Note 17)
Financial assets		
Current		
Accounts receivable (Note 3)	535,328	1,425,151
Restricted cash (Note 4)	3,604,317	394,740
	4,139,645	1,819,891
Investments (Note 5)	9,984	9,984
Investment in Nation business entities (Note 6)	716,461	1
Funds held in trust (Note 7)	155,555	63,948
Restricted cash (Note 4)	1,049,240	310,646
Total financial assets	6,070,885	2,204,470
Liabilities		
Current		
Bank indebtedness (Note 8)	637,956	104,296
Accounts payable and accruals	426,241	826,266
Deferred revenue (Note 9)	4,824,649	1,225,101
Current portion of long-term debt (Note 10)	890,000	882,000
	6,778,846	3,037,663
Long-term debt (Note 10)	7,679,050	8,507,754
Total financial liabilities	14,457,896	11,545,417
Net debt	(8,387,011)	(9,340,947)
Non-financial assets		
Tangible capital assets (Note 12)	22,648,523	21,595,630
Prepaid expenses	45,857	150,000
Total non-financial assets	22,694,380	21,745,630
Accumulated surplus (Note 13)	14,307,369	12,404,683

Approved on behalf of Chief and Council

Signed By: Robert Opikokew

Signed By: Lenny Iron

Signed By: Walter Coulineur

Signed By: Bernice Iron

Signed By: Lorne Iron

Signed By: Wilfred Iron

The accompanying notes are an integral part of these financial statements



Canoe Lake Cree First Nation

Consolidated Statement of Operations

For the year ended March 31, 2020

	Schedules	2020 Budget (Note 16)	2020 Actual	2019 Actual
Revenue				
Indigenous Services Canada (Note 14)		6,668,012	10,362,292	7,640,368
MLTC Program Services Inc.		1,278,575	3,010,100	3,012,158
Meadow Lake Health & Social Development Authority Inc.		3,093,236	3,002,829	2,349,808
MLTC Child & Family Services Inc.		727,178	764,856	427,807
Canada Mortgage and Housing Corporation		-	463,365	486,069
Health Canada		35,000	92,655	35,000
National Indian Brotherhood Trust Fund		90,000	7,994	117,000
First Nations Trust		749,587	749,587	756,942
Other		379,481	759,486	234,542
Rental income		109,240	362,346	437,146
Investment income		303,585	306,289	509,449
Expense recoveries		311,555	245,795	149,359
Earnings from investment in Nation business entities (Note 6)		-	44,599	-
Fuel tax revenue		126,353	126,353	119,991
Saskatchewan Rivers School Division		96,198	112,355	121,276
Contract revenue		56,260	56,261	72,116
GST rebates		32,193	32,193	34,752
Government of Saskatchewan		34,910	13,910	28,250
Saskatchewan Lotteries		9,512	10,244	9,662
Northern Career Quest Inc.		-	-	26,000
Northern Lights CDC		45,200	-	224,386
		14,146,075	20,523,509	16,792,081
Program expenses				
Capital	3	1,467,077	2,319,567	1,530,090
Economic Development	4	244,662	166,618	375,306
Education	5	5,543,723	5,319,551	4,901,595
First Nation Programs	6	1,384,168	2,358,989	1,506,564
Government Services	7	2,284,296	1,473,216	1,314,102
Health	8	3,255,359	3,157,824	2,440,417
Infrastructure	9	1,077,883	1,474,243	1,439,573
Reserves	10	40,348	19,513	40,782
Social	11	300,977	2,331,302	2,417,115
		15,598,493	18,620,823	15,965,544
Surplus (deficit)		(1,452,418)	1,902,686	826,537



Canoe Lake Cree First Nation

Consolidated Statement of Accumulated Surplus

For the year ended March 31, 2020

	2020	2019 As restated (Note 17)
Accumulated surplus, beginning of year as previously stated	12,404,683	5,647,146
Correction of an error (Note 17)	-	5,931,000
Accumulated surplus, beginning of year, as restated	12,404,683	11,578,146
Surplus (deficit)	1,902,686	826,537
Accumulated surplus, end of year	14,307,369	12,404,683



Canoe Lake Cree First Nation **Consolidated Statement of Change in Net Debt** *For the year ended March 31, 2020*

	2020 Budget (Note 16)	2020 Actual	2019 Actual
Annual surplus	(1,452,418)	1,902,686	826,537
Purchases of tangible capital assets	-	(2,756,704)	(1,152,920)
Amortization of tangible capital assets	-	1,703,811	1,701,015
Acquisition of prepaid expenses	-	(45,857)	(150,000)
Use of prepaid expenses	-	150,000	-
Net debt, beginning of year	(9,340,947)	(9,340,947)	(10,565,579)
Net debt, end of year	(10,793,365)	(8,387,011)	(9,340,947)



Canoe Lake Cree First Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	1,902,686	826,537
Non-cash items		
Amortization	1,703,811	1,701,015
Earnings from investment in Nation business entities	(44,599)	-
	3,561,898	2,527,552
Changes in working capital accounts		
Accounts receivable	889,823	(731,673)
Prepaid expenses	104,143	(150,000)
Restricted cash	(3,948,171)	(212,891)
Accounts payable and accruals	(400,025)	43,561
Deferred revenue	3,599,548	630,380
	3,807,216	2,106,929
Financing activities		
Advances of long-term debt	738,416	-
Repayment of long-term debt	(1,559,120)	(554,314)
	(820,704)	(554,314)
Capital activities		
Purchases of tangible capital assets	(2,756,704)	(1,152,920)
Investing activities		
Decrease (increase) in funds held in trust	(91,607)	103,430
Increase (decrease) in bank indebtedness	533,660	(503,125)
Contributions to Nation business entities	(671,861)	-
	(229,808)	(399,695)
Increase (decrease) in cash resources	-	-
Cash resources, beginning of year	-	-
Cash resources, end of year	-	-



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

1. Operations

The Canoe Lake Cree First Nation (the "First Nation") is located in Treaty 10 territory, in the province of Saskatchewan, and provides various services to its members. The Canoe Lake Cree First Nation financial reporting entity includes the First Nation's government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as set out in the CPA Canada Handbook - Public Sector Accounting as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

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

- Canoe Lake Cree First Nation
- Canoe Lake Cree First Nation CMHC Housing Program

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.

Canoe Lake Cree First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Canoe Lake Resource Development Inc.

Other economic interests

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

The First Nation is a member of Meadow Lake Tribal Council. The Tribal Council is an organization of nine Nations.

The Canoe Lake Treaty Land Entitlement Trust is not included in the consolidated financial statements as it is administered and controlled by independent Trustees.

Basis of presentation

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

Cash resources

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for general operations is included in restricted cash. Restricted cash consists of CMHC Operating Reserve, CMHC Replacement Reserve, and capital project bank accounts and term deposits.

Portfolio investments

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



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

2. Significant accounting policies (Continued from previous page)

Funds held in Ottawa Trust Fund

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

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

Revenues from trust moneys are recognized when measurable, earned, and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution where fair value can be reasonably determined. The Cree Nation's original reserve land is recognized in the consolidated financial statements.

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	20-25 years
Equipment	straight-line	4-5 years
Infrastructure	straight-line	50 years

Assets under construction are not amortized until they are put into use. Land is not amortized.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets.

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First 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.

Revenue recognition

Non-government funding

Funding is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

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

Other revenue

Rental revenues are recognized over the rental term. Other revenue is earned from services provided by the First Nation and is recognized when the service has been provided. Investment income and expense recoveries are recognized when the amounts are known and collection reasonably assured.

Rental income

Income associated with the rental of homes to members is recorded monthly when rental amounts are measurable and collection is reasonably assured.

Employee future benefits

The First Nation's employee future benefit programs consist of a defined contribution pension plan. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid by the employees.

Segments

The First Nation conducts its business through 9 reportable segments:

- Capital - includes the operations and maintenance of all on reserve housing and capital construction.
- Economic Development - includes all operations relating to economic development projects and investments.
- Education - includes the operations of education programs.
- First Nation Programs - includes all other band activities of the First Nation.
- Government Services - includes the administration and governance activities.
- Health - includes the operations of health and community wellness programming.
- Infrastructure - includes the operations and maintenance of the First Nation's buildings and infrastructure.
- Reserves - includes all activities relating to registry and reserves.
- Social - includes all activities relating to income assistance for membership.

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. Inter program administration fees have been recorded based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Use of estimates

The preparation of financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

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

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

Deferred revenue is estimated based on management's understanding of the terms and conditions of the funding agreements entered into.

Legal provisions are recorded when the likelihood of loss and amount of settlement can be determined.



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

3. Accounts receivable

	2020	2019
Canada Mortgage and Housing Corporation	232,615	900,094
Other receivables	247,317	254,470
Meadow Lake Tribal Council	55,396	142,201
Northern Lights Community Development Corporation	-	128,386
	535,328	1,425,151

4. Restricted cash

	2020	2019
Current:		
Capital projects bank	3,604,317	394,740
Long-term:		
CMHC replacement reserve guaranteed investment certificates	711,979	47,880
CMHC replacement reserve bank	-	124,014
CMHC operating reserve bank	337,261	138,752
	1,049,240	310,646
	4,653,557	705,386

5. Investments

	2020	2019
Measured at cost:		
Canadian Shield Limited Partnership	9,042	9,042
First Nations Bank	940	940
MLTC Resource Development Limited Partnership	1	1
MLTC Resource Development Inc.	1	1
	9,984	9,984

6. Investments in Nation business entities

The First Nation has investments in the following entities:

	Opening	Share of Earnings	Contributions	2020 Total investment
Canoe Lake Resource Development Inc.	1	44,599	671,861	716,461

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

	Assets	Liabilities	Net Assets	Revenues	Expenses	Earnings
Canoe Lake Resource Development Inc.	1,738,753	1,022,292	716,461	1,496,178	1,451,579	44,599



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

6. Investments in Nation business entities (Continued from previous page)

Principal repayments on long-term debt of the First Nation's business enterprise in each of the next five years is estimated as follows:

2020	2021	2022	2023	2024	Thereafter	Total
189,358	196,615	193,000	206,000	89,652	-	874,625

7. Funds held in trust

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

	2020	2019
Capital Trust		
Balance, beginning of year	47,291	156,811
Royalties	88,903	40,480
	136,194	197,291
Less: Transfers to the Cree Nation	-	150,000
Balance, end of year	136,194	47,291
Revenue Trust		
Balance, beginning of year	16,657	10,567
Interest	2,704	5,268
Land leases	-	822
Balance, end of year	19,361	16,657
	155,555	63,948

8. Bank indebtedness

Bank indebtedness is represented by cash balances less outstanding cheques. At March 31, 2020 the Cree Nation has a line of credit available of \$200,000 of which \$161,297 (2019 - \$198,815) has been drawn. The line of credit charges interest at bank prime plus 3.00% and is secured by redirection of ISC and MLTC funding.



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

9. Deferred revenue

Deferred revenues represent the amount of funds received by the First Nation that relate to the future fiscal periods or that must be spent on certain projects that are incomplete at year-end.

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

	<i>Balance, beginning of year</i>	<i>Amounts received</i>	<i>Amounts expended in current year</i>	<i>Balance, end of year</i>
MLTC - FN Student Success Program	143,386	455,596	252,066	346,916
MLTC - Assistance	-	1,677,238	1,611,788	65,450
MLTC - Communicable Disease Supports	-	19,494	-	19,494
MLTC - CRIF (ABE12)	-	12,500	-	12,500
MLTC - Daycare	-	258,539	153,028	105,511
MLTC - SA Pandemic Support	-	38,279	-	38,279
MLTC - Headstart	-	237,146	159,718	77,428
MLTC - Nursing Residence Maintenance	-	34,352	5,571	28,781
MLTC - Pandemic Response	-	100,000	-	100,000
MLTC - Palliative Care	-	27,676	-	27,676
ISC - Kindergarten Instruction	-	102,576	-	102,576
ISC - Water Treatment Plant Upgrade	152,829	3,300,000	819,334	2,633,495
ISC - Eagle's Lake Lagoon	192,565	1,411,000	1,125,016	478,549
ISC - School Roof Repairs	-	1,200,000	490,372	709,628
ISC - Subdivision	21,714	-	-	21,714
ISC - 10 Unit Housing Project	714,607	-	680,955	33,652
ISC - Eagle's Lake Waste Diversion Program	-	23,000	-	23,000
	1,225,101	8,897,396	5,297,848	4,824,649

10. Long-term debt

	2020	2019
First Nations Bank (FNB) loan at prime plus 3.00% (2020 - 5.45%; 2019 - 6.95%), principal repayable in annual installments of \$163,995, interest payable monthly, matures May 2029. Secured by general security agreement on all the First Nation's assets.	1,967,939	2,131,934
FNB loan at prime plus 3.20% (2020 - 5.65%; 2019 - 7.15%), principal repayable in quarterly installments of \$96,388, interest payable monthly, matures January 2023. Secured by general security agreement on all the First Nation's assets.	867,493	1,253,046
FNB loan to construct housing for local RCMP detachment at prime plus 2.45% (2020 - 4.90%; 2019 - 6.45%), repayable in monthly blended installments of \$4,074, matures February 2023. Secured by general security agreement on all the First Nation's assets.	132,153	171,030
Royal Bank loan at prime plus 2.45% (2020 - 4.90%) repayable in quarterly interest only installments based on balance outstanding. Loan approved to a maximum of \$3,000,000 (Note 11).	738,416	-
CMHC housing mortgage - Phase II, interest at 1.83%, repayable in monthly blended installments of \$1,177. Secured by a ministerial guarantee. Matures June 2026.	63,151	95,076
CMHC housing mortgage - Phase III, interest at 0.94%, repayable in monthly blended installments of \$1,655. Secured by a ministerial guarantee. Matures October 2026.	98,517	143,997
CMHC housing mortgage - Phase IV, interest at 1.53%, repayable in monthly blended installments of \$1,642. Secured by a ministerial guarantee. Matures February 2029.	136,610	180,632



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

10. Long-term debt (Continued from previous page)

CMHC housing mortgage - Phase V, interest at 1.12%, repayable in monthly blended installments of \$1,504. Secured by a ministerial guarantee. Matures August 2031.	167,959	208,276
CMHC housing mortgage - Phase VI, interest at 1.30%, repayable in monthly blended installments of \$4,868. Secured by a ministerial guarantee. Matures January 2034.	657,181	785,309
CMHC housing mortgage - Phase VII, interest at 1.30%, repayable in monthly blended installments of \$3,974. Secured by a ministerial guarantee. Matures December 2028.	326,162	433,461
CMHC housing mortgage - Phase VIII, interest at 1.83%, repayable in monthly blended installments of \$6,273. Secured by a ministerial guarantee. Matures October 2036.	968,031	1,126,705
CMHC housing mortgage - Phase IX, interest at 1.19%, repayable in monthly blended installments of \$3,204. Secured by a ministerial guarantee. Matures June 2037.	546,705	630,132
CMHC housing mortgage - Phase X, interest at 1.60%, repayable in monthly blended installments of \$1,456. Secured by a ministerial guarantee. Matures December 2039.	270,981	307,563
CMHC housing mortgage - Phase XI, interest at 1.30%, repayable in monthly blended installments of \$2,912. Secured by a ministerial guarantee. Matures December 2039.	541,960	615,125
CMHC housing mortgage - Phase XII, interest at 2.18%, repayable in monthly blended installments of \$4,690. Secured by a ministerial guarantee. Matures October 2030.	451,970	574,070
CMHC housing mortgage - Phase XIII, interest at 1.11%, repayable in monthly blended installments of \$3,485. Secured by a ministerial guarantee. Matures December 2037.	615,887	706,866
Ford Credit Loan - repayable in monthly blended installments of \$826, interest at 5.84%.	17,935	26,532
	8,569,050	9,389,754
Less: less: current portion	890,000	882,000
	7,679,050	8,507,754

Principal repayments on long-term debt in each of the next five years , assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2021	890,000
2022	897,000
2023	605,000
2024	467,000
2025	466,000

Long-term debt is subject to certain financial covenants with respect to timely submission of the annual audited consolidated financial statements to their lender as well as other restrictions that may be in place. The First Nation is not in compliance with all such covenants. It is management's opinion that the First Nation will not be subject to any restrictions in regards to their non-compliance.



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

11. Contingent assets

In 2020, the Cree Nation initiated a treaty benefits claim against the Government of Canada. The First Nation has obtained a loan to finance the costs of negotiating settlement on the claim. Insurance has been obtained 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, 2020, expenses totaling \$738,416 for the treaty benefits claim have been incurred and available financing drawn (Note 10) of \$738,416 from RBC. The Cree Nation anticipates these costs will be paid from settlement proceeds. When a claim is finalized or the insurance proceeds are paid, the amounts will be recognized in revenue.

12. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1. The First Nation has the following major capital projects in progress at March 31, 2020.

Project	Budget	Cumulative costs to March 31, 2020
WTP Upgrade	3,131,247	1,378,610
Eagle's Lake Lagoon	1,630,991	1,269,523
10 Unit Housing Project	1,645,700	1,662,048

The First Nation holds works of art and historical treasures, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

13. Accumulated surplus

Accumulated surplus consists of the following:

	2020	2019 As restated (Note 17)
Equity in Ottawa Trust Funds	155,555	63,948
Equity in investments	726,445	9,985
Equity in CMHC Reserves	2,218,992	2,197,838
Equity in tangible capital assets	15,685,384	12,853,249
Treaty Benefits Claim	(738,416)	-
Mortgage arrears	-	605,675
Operating deficit	(3,740,591)	(3,326,012)
	14,307,369	12,404,683

The equity in tangible capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating tangible capital assets that will be used to provide future services.

The CMHC reserves are replacement and operating reserves required to be funded for future upgrades to existing CMHC housing units and finance any future operating deficits of the program as required by agreements with CMHC.



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

14. Reconciliation of funding from Indigenous Services Canada

	2020	2019
Funding per ISC confirmation	13,284,822	8,190,203
Add:		
Prior year unearned funding earned in current year	1,081,715	531,880
Less:		
Current year unearned funding	(4,002,614)	(1,081,715)
Recovery of prior year funding	(1,631)	-
Funding reported per financial statements	10,362,292	7,640,368

15. Economic dependence

Canoe Lake Cree First Nation receives substantially all of its revenue from Indigenous Services Canada (ISC) as a result of Treaties entered into with the Crown, which also includes revenues received from Meadow Lake Tribal Council. These treaties are administered by ISC under the terms and conditions of the Indian Act. The treaty provisions under Treaty 10 include Education, Health, Hunting, Fishing and Gathering. 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.

16. Budget information

The disclosed budget information was approved by the Chief and Council of Canoe Lake Cree First Nation at a meeting held on April 11, 2019.

In preparation of the annual budget of the First Nation management does not budget for purchases of capital assets, amortization, principal payments on debt and distributions from investments in Nation business entities. The budget process followed by management only includes activities directed by the First Nation. Management does not prepare a budget for capital projects administered through third party project managers.

17. Correction of an error

During the year the First Nation obtained information about land acquired through the Canoe Lake TLE Trust that was not previously reflected in the First Nation's consolidated financial statements. The restatement has increased the amount reported as land and accumulated surplus by \$5,931,000 (35,022 acres).

18. Significant Event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on the First Nation due to restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations, and isolation/quarantine orders. The First Nation has been impacted by office closures, travel restrictions, cancellation of events and increased costs of compliance with other guidelines and regulation. It is expected that future funding from First Nations Trust and Northern Light Community Development Corporation will be negatively impacted by the pandemic due to the temporary closure of SIGA casinos. Funding has been received to cover some of the additional costs associated with the pandemic through government transfers.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.



Canoe Lake Cree First Nation

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2020

	<i>Infrastructure</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Land As restated (Note 17)</i>	<i>Assets Under Construction</i>	<i>2020</i>	<i>2019</i>
						<i>Actual</i>	<i>Actual As restated (Note 17)</i>
Cost							
Balance, beginning of year	7,223,699	34,261,867	1,211,032	5,931,000	1,684,876	50,312,474	49,159,554
Acquisition of tangible capital assets	-	-	131,399	-	2,625,305	2,756,704	1,152,920
Balance, end of year	7,223,699	34,261,867	1,342,431	5,931,000	4,310,181	53,069,178	50,312,474
Accumulated amortization							
Balance, beginning of year	4,797,682	22,950,372	968,790	-	-	28,716,844	27,015,829
Annual amortization	135,440	1,435,199	133,172	-	-	1,703,811	1,701,015
Balance, end of year	4,933,122	24,385,571	1,101,962	-	-	30,420,655	28,716,844
Net book value of tangible capital assets	2,290,577	9,876,296	240,469	5,931,000	4,310,181	22,648,523	21,595,630
2019 Net book value of tangible capital assets	2,426,017	11,311,495	242,242	5,931,000	1,684,876	21,595,630	



Canoe Lake Cree First Nation

Schedule 2 - Schedule of Consolidated Expenses by Object

For the year ended March 31, 2020

	2020 Actual	2019 Actual
Consolidated expenses by object		
Administration	8,345	3,969
Advertising	18,531	4,800
Amortization	1,703,811	1,701,015
Assistance	535,978	552,603
Bank charges and interest	81,205	66,296
Basic needs	1,600,381	1,648,111
Care fees	183,623	111,549
Community events	114,528	82,053
Contracted services	1,484,544	990,404
Cultural activities	241,586	158,701
Emergency management	119,001	-
Freight	6,101	6,039
Furniture and equipment	142,914	99,536
Honouraria	72,729	98,749
Insurance	138,928	124,434
Interest on long-term debt	320,637	326,219
Meeting	91,662	73,025
Miscellaneous	35,145	-
Office supplies	100,498	58,297
Prevention costs	204,100	56,757
Professional fees	922,083	251,088
Program expense	969,612	767,270
Repairs and maintenance	715,674	345,379
Salaries and benefits	5,701,881	5,367,193
School supplies	80,558	111,170
Special needs	187,086	187,086
Student expenses	119,594	91,143
Supplies	247,357	242,191
Telephone	101,794	92,758
Training allowance	743,286	777,467
Travel	808,663	663,231
Tuition	323,009	337,788
Utilities	378,702	506,990
Vehicle	117,277	62,233
	18,620,823	15,965,544



Canoe Lake Cree First Nation Capital

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

For the year ended March 31, 2020

	2020 Actual	2019 Actual
Revenue		
Canada Mortgage and Housing Corporation	463,365	486,069
Indigenous Services Canada	3,403,221	1,433,409
Expense recoveries	-	34,299
Rental income	304,146	399,129
	4,170,732	2,352,906
Expenses		
Administration	17,436	-
Amortization	1,064,140	1,072,854
Bank charges and interest	-	6,817
Contracted services	559,860	74,354
Honouraria	22,425	1,000
Insurance	123,492	109,119
Interest on long-term debt	65,894	76,859
Professional fees	13,189	32,500
Repairs and maintenance	381,577	115,111
Salaries and benefits	34,169	24,086
Supplies	11,346	8,334
Travel	26,039	9,056
	2,319,567	1,530,090
Surplus before transfers	1,851,165	822,816
Transfers between programs	(62,300)	(62,300)
Surplus	1,788,865	760,516



**Canoe Lake Cree First Nation
Economic Development**

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

For the year ended March 31, 2020

	2020 Actual	2019 Actual
Revenue		
Indigenous Services Canada	-	298,900
MLTC Program Services Inc.	83,105	82,926
Other	187,865	-
Investment income	118,585	137,359
Contract revenue	50,473	36,366
Earnings from investment in Nation business entities	44,599	-
Expense recoveries	-	10,779
	484,627	566,330
Expenses		
Assistance	6,300	4,200
Contracted services	95,006	217,024
Meeting	-	16,299
Miscellaneous	2,700	-
Professional fees	1,154	36,780
Repairs and maintenance	-	1,356
Salaries and benefits	720	22,084
Supplies	46,571	44,480
Telephone	-	170
Travel	14,167	30,943
Utilities	-	1,970
	166,618	375,306
Surplus before transfers	318,009	191,024
Transfers between programs	(45,429)	-
Surplus	272,580	191,024



Canoe Lake Cree First Nation Education

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

For the year ended March 31, 2020

	2020 Actual	2019 Actual
Revenue		
Indigenous Services Canada	5,457,900	4,312,460
MLTC Program Services Inc.	252,066	369,251
National Indian Brotherhood Trust Fund	7,994	117,000
Saskatchewan Rivers School Division	112,355	121,276
Expense recoveries	55,650	16,089
Other	26,922	-
Government of Saskatchewan	9,410	25,000
	5,922,297	4,961,076
Expenses		
Administration	269,497	208,312
Advertising	4,400	1,200
Contracted services	356,104	332,506
Cultural activities	92,670	63,531
Freight	-	98
Furniture and equipment	37,741	11,303
Honouraria	400	61,800
Meeting	37,792	10,016
Office supplies	33,812	20,664
Professional fees	3,966	-
Repairs and maintenance	28,294	62,422
Salaries and benefits	2,844,942	2,623,667
School supplies	80,419	111,170
Student expenses	119,594	91,143
Supplies	103,026	105,605
Telephone	10,780	10,547
Training allowance	606,827	484,667
Travel	136,247	154,840
Tuition	323,009	337,788
Utilities	167,849	160,682
Vehicle	62,182	49,634
	5,319,551	4,901,595
Surplus	602,746	59,481



Canoe Lake Cree First Nation First Nation Programs

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

For the year ended March 31, 2020

	2020 Actual	2019 Actual
Revenue		
MLTC Child & Family Services Inc.	289,797	-
MLTC Program Services Inc.	270,689	300,061
Indigenous Services Canada	227,399	151,488
Meadow Lake Health & Social Development Authority Inc.	127,656	115,255
Health Canada	57,655	-
First Nations Trust	749,587	756,942
Other	281,418	79,271
Investment income	187,704	372,090
Fuel tax revenue	126,353	119,991
Saskatchewan Lotteries	10,244	9,662
Rental income	7,000	9,625
Government of Saskatchewan	4,500	3,250
Expense recoveries	3,000	21,999
Northern Lights CDC	-	224,386
	2,343,002	2,164,020
Expenses		
Administration	33,594	28,930
Advertising	-	1,200
Amortization	12,000	12,000
Assistance	391,902	429,428
Bank charges and interest	15,000	-
Community events	56,393	45,355
Contracted services	83,527	52,176
Cultural activities	68,671	-
Furniture and equipment	1,931	-
Honouraria	26,304	-
Insurance	15,436	15,315
Interest on long-term debt	254,743	249,360
Jordan's Principle programming	71,826	18,500
Meeting	6,667	5,594
NLCDC programming	-	57,967
Office supplies	400	3,730
Professional fees	690,691	-
Repairs and maintenance	2,232	600
Salaries and benefits	542,416	483,839
Supplies	18,342	29,115
Telephone	7,277	1,568
Training allowance	2,577	1,416
Travel	44,351	33,459
Utilities	2,321	31,324
Vehicle	10,388	5,688
	2,358,989	1,506,564
Surplus (deficit) before transfers	(15,987)	657,456
Transfers between programs	84,104	-
Surplus	68,117	657,456



Canoe Lake Cree First Nation Government Services

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

For the year ended March 31, 2020

	2020 Actual	2019 Actual
Revenue		
Indigenous Services Canada	644,026	642,596
MLTC Program Services Inc.	409,745	307,097
Other	237,730	137,677
Expense recoveries	128,781	31,943
GST rebates	32,193	34,752
Rental income	9,600	-
Northern Career Quest Inc.	-	26,000
	1,462,075	1,180,065
Expenses		
Administration	(660,354)	(588,687)
Advertising	8,800	1,200
Amortization	48,143	48,090
Bank charges and interest	64,304	59,479
Contracted services	40,331	55,496
Cultural activities	900	6,637
Emergency management	119,001	-
Freight	-	802
Furniture and equipment	13,864	39,427
Honouraria	-	6,950
Meeting	13,680	18,128
Miscellaneous	5,745	-
Office supplies	41,522	27,355
Professional fees	212,483	181,808
Program expense - CRIF	257,872	190,853
Repairs and maintenance	-	300
Salaries and benefits	787,749	841,914
Supplies	753	-
Telephone	40,419	38,051
Training allowance	7,551	58,711
Travel	453,990	321,997
Utilities	4,463	5,047
Vehicle	12,000	544
	1,473,216	1,314,102
Deficit	(11,141)	(134,037)



Canoe Lake Cree First Nation Health

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

For the year ended March 31, 2020

	2020 Actual	2019 Actual
Revenue		
Meadow Lake Health & Social Development Authority Inc.	2,722,835	2,082,215
MLTC Child & Family Services Inc.	475,059	427,807
Health Canada	35,000	35,000
MLTC Program Services Inc.	12,000	15,320
Expense recoveries	56,208	17,375
Other	25,376	17,594
Rental income	2,000	-
	3,328,478	2,595,311
Expenses		
Administration	333,382	340,624
Advertising	5,331	1,200
Amortization	48,429	15,580
Assistance	137,776	118,975
Community events	58,135	36,698
Contracted services	160,793	122,995
Cultural activities	79,345	88,533
Freight	-	52
Furniture and equipment	8,072	-
Honouraria	23,600	28,399
Jordan's Principle programming	613,706	451,209
Meeting	33,523	22,988
Miscellaneous	26,700	-
Office supplies	23,788	6,526
Prevention costs	204,100	56,757
Professional fees	600	-
Program expense	21,707	20,555
Repairs and maintenance	54,470	24,813
Salaries and benefits	1,064,492	879,856
School supplies	139	-
Supplies	32,519	16,099
Telephone	29,356	20,858
Training allowance	3,908	1,660
Travel	88,556	73,195
Utilities	68,189	78,436
Vehicle	32,707	6,223
Wellness programming	4,501	28,186
	3,157,824	2,440,417
Surplus before transfers	170,654	154,894
Transfers between programs	(71,999)	(85,543)
Surplus	98,655	69,351



Canoe Lake Cree First Nation Infrastructure

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

For the year ended March 31, 2020

	2020 Actual	2019 Actual
Revenue		
Indigenous Services Canada	444,854	499,623
Rental income	39,600	28,392
Contract revenue	5,788	35,750
Expense recoveries	1,562	4,375
Other	175	-
	491,979	568,140
Expenses		
Amortization	531,099	552,491
Bank charges and interest	1,901	-
Contracted services	156,518	134,014
Freight	6,101	5,087
Furniture and equipment	81,306	48,806
Repairs and maintenance	249,101	140,777
Salaries and benefits	235,745	254,792
Supplies	34,800	38,558
Telephone	13,008	15,083
Training allowance	502	1,758
Travel	28,282	18,532
Utilities	135,880	229,531
Vehicle	-	144
	1,474,243	1,439,573
Deficit before transfers	(982,264)	(871,433)
Transfers between programs	95,624	147,843
Deficit	(886,640)	(723,590)



Canoe Lake Cree First Nation Reserves

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

For the year ended March 31, 2020

	2020 Actual	2019 Actual
Revenue		
Indigenous Services Canada	18,919	18,380
Expense recoveries	594	-
	19,513	18,380
Expenses		
Office supplies	976	22
Salaries and benefits	16,856	36,832
Telephone	954	947
Travel	727	2,981
	19,513	40,782
Surplus (deficit)	-	(22,402)



Canoe Lake Cree First Nation Social

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

For the year ended March 31, 2020

	2020 Actual	2019 Actual
Revenue		
MLTC Program Services Inc.	1,982,497	1,937,503
Indigenous Services Canada	165,973	283,512
Meadow Lake Health & Social Development Authority Inc.	152,338	152,338
Expense recoveries	-	12,500
	2,300,808	2,385,853
Expenses		
Administration	14,790	14,790
Basic needs	1,600,381	1,648,111
Care fees	183,623	111,549
Contracted services	32,405	1,839
Honouraria	-	600
Salaries and benefits	174,792	200,123
Telephone	-	5,534
Training allowance	121,921	229,255
Travel	16,304	18,228
Special needs	187,086	187,086
	2,331,302	2,417,115
Deficit	(30,494)	(31,262)