



Canoe Lake Cree First Nation
Consolidated Financial Statements
March 31, 2022



Canoe Lake Cree First Nation Contents

For the year ended March 31, 2022

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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 consolidated 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.

December 22, 2022

Signed by: Rachel Morin

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, 2022, 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, 2022, and the results of its consolidated operations, changes in its net financial assets and its 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 12 and 14 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.

MNP LLP

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Independent Auditor's 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 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

December 22, 2022

MNP LLP

Chartered Professional Accountants



Canoe Lake Cree First Nation

Consolidated Statement of Financial Position

As at March 31, 2022

	2022	2021
Financial assets		
Current		
Cash and cash equivalents	324,446	346,135
Accounts receivable (Note 3)	769,782	650,185
Restricted cash (Note 4)	2,019,249	2,234,531
Current portion of long-term lease receivable (Note 9)	212,357	199,028
	3,325,834	3,429,879
Investments (Note 5)	9,984	9,984
Advances to Nation business entities (Note 6)	289,252	4,693
Investment in Nation business entities (Note 7)	200,740	318,786
Funds held in trust (Note 8)	201,543	198,893
Long-term lease receivable (Note 9)	544,489	756,846
Restricted cash (Note 4)	4,492,852	2,771,160
Total financial assets	9,064,694	7,490,241
Liabilities		
Current		
Accounts payable and accruals	220,600	564,044
Deferred revenue (Note 11)	6,872,700	4,767,402
Current portion of long-term debt (Note 12)	693,000	985,000
Current portion of capital lease obligations (Note 13)	212,357	199,028
	7,998,657	6,515,474
Long-term debt (Note 12)	7,909,092	8,257,332
Capital lease obligations (Note 13)	544,489	756,846
Total financial liabilities	16,452,238	15,529,652
Net debt	(7,387,544)	(8,039,411)
Non-financial assets		
Tangible capital assets (Note 15)	25,574,131	23,847,575
Accumulated surplus (Note 16)	18,186,587	15,808,164

Approved on behalf of Chief and Council

Signed by: Chief Francis Iron

Signed by: Lenny Iron

Signed by: Walter Coulineur

Signed by: Wilfred Iron

Signed by: Lorne Iron

Signed by: Robert Opikokew



Canoe Lake Cree First Nation Consolidated Statement of Operations

For the year ended March 31, 2022

	<i>Schedules</i>	2022 Budget (Note 19)	2022 Actual	<i>2021 Actual</i>
Revenue				
Indigenous Services Canada (Note 17)		10,280,683	15,736,092	16,066,649
MLTC Program Services Inc.		2,244,575	3,268,649	3,386,139
Meadow Lake Health & Social Development Authority Inc.		3,064,107	2,433,639	3,311,427
Canada Mortgage and Housing Corporation		-	450,629	464,782
MLTC Child & Family Services Inc.		536,186	478,464	286,789
National Indian Brotherhood Trust Fund		-	66,465	-
Other		133,799	243,755	307,191
First Nations Trust		807,313	441,659	545,167
Rental income		72,220	210,239	226,235
Investment income		50,000	1,228,834	192,596
Expense recoveries		42,631	76,755	175,338
Fuel tax revenue		150,000	150,651	138,654
Canoe Lake Cree First Nation TLE Trust		100,000	100,000	100,000
Loss from investment in Nation business entities (Note 7)		-	(135,047)	(449,661)
Contract revenue		-	234,169	259,666
Saskatchewan Lotteries		-	10,799	10,507
Government of Saskatchewan		21,000	23,747	500
		17,502,514	25,019,499	25,021,979
Program expenses				
Capital	3	838,132	2,714,300	4,810,155
Economic Development	4	220,305	630,665	215,176
Education	5	5,511,467	5,715,128	5,610,451
First Nation Programs	6	1,187,661	2,416,355	1,707,602
Government Services	7	3,966,541	3,371,696	2,592,763
Health	8	3,947,767	3,508,048	4,431,137
Infrastructure	9	1,416,858	2,214,117	1,771,374
Reserves	10	40,348	76,474	19,084
Social	11	150,817	1,973,838	2,363,442
		17,279,896	22,620,621	23,521,184
Surplus before other item		222,618	2,398,878	1,500,795
Other item				
Loss on disposal of tangible capital assets		-	(20,455)	-
Surplus		222,618	2,378,423	1,500,795

The accompanying notes are an integral part of these financial statements



Canoe Lake Cree First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2022

	2022	2021
Accumulated surplus	15,808,164	14,307,369
Surplus	2,378,423	1,500,795
Accumulated surplus, end of year	18,186,587	15,808,164



Canoe Lake Cree First Nation

Consolidated Statement of Change in Net Debt

For the year ended March 31, 2022

	2022 Budget (Note 19)	2022 Actual	2021 Actual
Annual surplus	222,618	2,378,423	1,500,795
Purchases of tangible capital assets	-	(3,592,222)	(2,982,916)
Amortization of tangible capital assets	6,000	1,845,211	1,783,864
Loss on disposal of tangible capital assets	-	20,455	-
Use of prepaid expenses	-	-	45,857
Change in net debt	228,618	651,867	347,600
Net debt, beginning of year	(8,039,411)	(8,039,411)	(8,387,011)
Net debt, end of year	(7,810,793)	(7,387,544)	(8,039,411)



Canoe Lake Cree First Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Surplus	2,378,423	1,500,795
Non-cash items		
Amortization	1,845,211	1,783,864
Loss on disposal of capital assets	20,455	-
Loss from investment in Nation business entities	135,047	449,661
	4,379,136	3,734,320
Changes in working capital accounts		
Accounts receivable	(119,593)	(114,854)
Prepaid expenses	-	45,857
Restricted cash	(1,506,412)	(352,134)
Accounts payable and accruals	(343,446)	137,803
Deferred revenue	2,105,298	(57,247)
	4,514,983	3,393,745
Financing activities		
Advances of long-term debt	355,946	1,771,502
Repayment of long-term debt	(996,186)	(1,098,220)
	(640,240)	673,282
Capital activities		
Purchases of tangible capital assets	(3,592,222)	(2,982,916)
Investing activities		
Advances to Nation business entities (net)	(284,559)	(4,693)
Contributions to Nation business entities	(17,001)	(51,989)
Increase in funds held in trust	(2,650)	(43,338)
Increase (decrease) in bank indebtedness	-	(637,956)
	(304,210)	(737,976)
Increase (decrease) in cash resources	(21,689)	346,135
Cash resources, beginning of year	346,135	-
Cash resources, end of year	324,446	346,135



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

1. Operations

The Canoe Lake Cree First Nation (the "First Nation") is located in Treaty Ten 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.
- Eagles Lake Community Store LP

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, capital project bank accounts and term deposits.



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

Leases - as lessor

A lease that transfers substantially all of the benefits and risks of ownership and is entered into to affect a sale of the First Nation's assets is accounted for as a sales-type lease. At inception of a sales-type lease, the asset is transferred to the lessee and a sales-type lease receivable is recorded at an amount equal to the lesser of the present value of the future minimum lease payments and the property's fair market value. The sales-type lease receivable is reduced as payments are received from the lessee.

Leases - as lessee

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the assets fair market value. Assets under capital lease are amortized using the straight-line method over their estimated useful lives.

All other leases are accounted for as operating leases and rental payments are expensed as incurred.

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.

Funds held in Trust

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 money 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 money generated primarily through land leasing transactions or interest earned on deposits held in trust.

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

Tangible capital assets

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



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

Long-lived assets

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

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.

Other Revenue

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.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

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.



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

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.

3. Accounts receivable

	2022	2021
Canada Mortgage and Housing Corporation	37,151	36,934
Other receivables	236,640	291,244
Members	51,581	61,822
Meadow Lake Tribal Council	444,410	260,185
	769,782	650,185



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

4. Restricted cash

	2022	2021
Current:		
Capital projects bank	2,019,249	2,234,531
Long-term:		
Term deposits	2,335,688	1,110,999
CMHC replacement reserve bank	1,759,847	1,263,728
CMHC operating reserve bank	397,317	396,433
	4,492,852	2,771,160
	6,512,101	5,005,691

5. Investments

	2022	2021
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. Advances to Nation business entities

During the year, loans were advanced to a business entity of the First Nation. The First Nation owns 100% of the related entity. The advance bears no interest and has no fixed terms of repayment.

	2022	2021
Canoe Lake Resource Development Inc.	289,252	4,693



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

7. Investments in Nation business entities

The First Nation has investments in the following entities:

	Opening	Share of earnings (loss)	Contributions	2022 Total investment
Canoe Lake Resource Development Inc.	318,786	(113,779)	17,001	222,008
Eagles Lake Community Store LP	-	(21,268)	-	(21,268)
	318,786	(135,047)	17,001	200,740

Summary financial information for Canoe Lake Resource Development Inc., accounted for using the modified equity method, for its March 31, 2022 year-end is as follows:

	Assets	Liabilities	Equity	Revenues	Expenses	Loss
Canoe Lake Resource Development Inc.	2,295,973	2,073,965	222,008	1,984,812	2,098,591	(113,779)
Eagles Lake Community Store LP	99,190	120,458	(21,268)	769,452	790,720	(21,268)

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

2023	2024	2025	2026	2027	Thereafter	Total
193,043	205,541	89,485	-	-	-	488,069

8. 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.

	2022	2021
Capital Trust		
Balance, beginning of year	176,292	136,194
Royalties	-	40,098
Balance, end of year	176,292	176,292
Revenue Trust		
Balance, beginning of year	22,601	19,361
Interest	2,650	3,240
Balance, end of year	25,251	22,601
	201,543	198,893



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

9. Sales-type lease receivable

The First Nation has two sales-type leases with Canoe Lake Resource Development Inc., a wholly owned business enterprise of the Nation:

	2022	2021
Canoe Lake Resource Development Ltd, a company directly owned by the Nation, sales type lease receivable, unsecured, bearing interest at 6.50%, collectible in monthly instalments of \$14,273 from August to April, due September 2025.	378,423	477,937
Canoe Lake Resource Development Ltd, a company directly owned by the Nation, sales type lease receivable, unsecured, bearing interest at 6.50%, collectible in monthly instalments of \$14,273 from August to April, due September 2025.	378,423	477,937
	756,846	955,874
Less: current portion	212,357	199,028
	544,489	756,846

10. Credit arrangements

At March 31, 2022 the Cree Nation has a line of credit available of \$200,000 of which \$nil (2021 - \$nil) 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, 2022

11. 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>
Meadow Lake Health & Social Development Inc.	466,820	3,470,093	2,879,289	1,057,624
Meadow Lake Program Services Inc.	1,218,429	3,193,830	3,004,385	1,407,874
Indigenous Services Canada - capital projects	1,953,517	3,419,060	3,210,757	2,161,820
Indigenous Services Canada - non-capital	1,128,636	13,542,081	12,425,335	2,245,382
	4,767,402	23,625,064	21,519,766	6,872,700

12. Long-term debt

	2022	2021
FNB consolidation loan at 5.25%, principal repayable in quarterly instalments of \$53,333, interest payable monthly, matures May 2025. Secured by general security agreement on all the First Nation's assets.	2,826,667	3,040,000
Royal Bank loan at prime plus 2.45% (2022 - 5.15%; 2021 - 4.90%) repayable in quarterly interest only instalments based on balance outstanding. Loan approved to a maximum of \$3,000,000 (Note 14).	1,598,607	1,242,661
FNB loan at prime plus 3.20% (2022 - 5.90%; 2021 - 5.65%), principal repayable in quarterly instalments of \$96,388, interest payable monthly, matures January 2023. Secured by general security agreement on all the First Nation's assets.	96,388	481,941
Ford Credit Loan - repaid during the year.	-	9,338
CMHC housing mortgage - Phase II, interest at 1.83%, repayable in monthly blended instalments of \$1,177. Secured by a ministerial guarantee. Matures June 2026.	36,465	49,973
CMHC housing mortgage - Phase III, interest at 0.94%, repayable in monthly blended instalments of \$1,655. Secured by a ministerial guarantee. Matures October 2026.	60,220	79,423
CMHC housing mortgage - Phase IV, interest at 1.53%, repayable in monthly blended instalments of \$1,642. Secured by a ministerial guarantee. Matures February 2029.	100,319	118,711
CMHC housing mortgage - Phase V, interest at 1.12%, repayable in monthly blended instalments of \$1,504. Secured by a ministerial guarantee. Matures August 2031.	134,916	151,607
CMHC housing mortgage - Phase VI, interest at 1.30%, repayable in monthly blended instalments of \$4,868. Secured by a ministerial guarantee. Matures January 2034.	556,125	606,971
CMHC housing mortgage - Phase VII, interest at 1.30%, repayable in monthly blended instalments of \$3,974. Secured by a ministerial guarantee. Matures December 2028.	238,151	282,432
CMHC housing mortgage - Phase VIII, interest at 1.83%, repayable in monthly blended instalments of \$6,273. Secured by a ministerial guarantee. Matures October 2036.	844,827	908,351
CMHC housing mortgage - Phase IX, interest at 1.19%, repayable in monthly blended instalments of \$3,204. Secured by a ministerial guarantee. Matures June 2037.	480,596	514,183



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

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

CMHC housing mortgage - Phase X, interest at 1.60%, repayable in monthly blended instalments of \$1,456. Secured by a ministerial guarantee. Matures December 2039.	242,935	257,383
CMHC housing mortgage - Phase XI, interest at 1.30%, repayable in monthly blended instalments of \$2,912. Secured by a ministerial guarantee. Matures December 2039.	486,558	514,565
CMHC housing mortgage - Phase XII, interest at 2.18%, repayable in monthly blended instalments of \$4,690. Secured by a ministerial guarantee. Matures October 2030.	353,753	404,101
CMHC housing mortgage - Phase XIII, interest at 1.11%, repayable in monthly blended instalments of \$3,485. Secured by a ministerial guarantee. Matures December 2037.	545,565	580,692
	8,602,092	9,242,332
Less: current portion	693,000	985,000
	7,909,092	8,257,332

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:

2023	693,000
2024	602,000
2025	603,000
2026	582,000
2027	586,000

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, 2022

13. Capital lease obligations

	2022	2021
Brandt Tractor Ltd. capital lease obligation repayable in monthly instalments of \$14,273 from August to April, including interest at 6.50% per annum, due September 2025.	378,423	477,937
Brandt Tractor Ltd. capital lease obligation repayable in monthly instalments of \$14,273 from August to April, including interest at 6.50% per annum, due September 2025.	378,423	477,937
	756,846	955,874
Less: current portion	212,357	199,028
	544,489	756,846

Minimum lease payments related to the obligations under capital lease are as follows:

2023	256,920
2024	256,920
2025	256,920
2026	77,729
	848,489
Less: imputed interest	91,643
	756,846
Balance of obligation	756,846
Less: current portion	212,357
	544,489

14. Contingent assets

In 2020, the First 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 help mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time a claim is resolved.

Financing has been obtained to pursue the action against Canada and financing has been drawn (Note 12) of \$1,598,607 (2021 - \$1,242,661) from RBC in this regard. The First Nation anticipates these loans will be repaid from settlement proceeds. When the claim is finalized or the insurance proceeds are paid, the amounts will be recognized in revenue.



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

15. 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, 2022.

Project	Budget	Cumulative costs to March 31, 2022
Canoe Lake WTP Upgrade	5,227,131	5,276,627
Canoe Lake Solid Waste Transfer Station	1,200,000	64,819
Canoe Lake Roadway & Drainage Upgrades	3,500,000	37,537
Canoe Lake SPS Upgrades	1,250,000	129,958
Canoe Lake School Ventilation	545,000	-
Eagle's Lake Lagoon	1,630,991	1,529,596
Eagle's Lake SPS Upgrades	250,000	39,127
Eagle's Lake SWTS Feasibility Study	23,000	1,610
Eagle's Lake Roadway & Drainage Upgrades	3,500,000	141,300

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.

16. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Equity in Ottawa Trust Funds	201,543	198,893
Equity in investments	299,236	328,770
Equity in CMHC Reserves	2,202,071	2,246,160
Equity in tangible capital assets	19,816,948	17,533,103
Treaty Benefits Claim	(1,598,607)	(1,242,661)
Operating deficit	(2,734,604)	(3,256,101)
	18,186,587	15,808,164

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.

The amount reported as for the Treaty Benefits Claim as part of the Cree Nation's Accumulated surplus represents the costs of the claim that have been financed by debt and are not considered regular operating activities.

17. Reconciliation of funding from Indigenous Services Canada

	2022	2021
Funding per ISC confirmation	16,961,141	15,055,261
Add:		
Prior year unearned funding earned in current year	3,082,153	4,002,614
Less:		
Current year unearned funding	(4,407,202)	(3,082,153)
Prior year funding received and spent in current year	100,000	90,927
Funding reported per financial statements	15,736,092	16,066,649



Canoe Lake Cree First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

18. 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.

19. Budget information

The disclosed budget information was approved by the Chief and Council of Canoe Lake Cree First Nation at a meeting held in May 2021.

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.

20. Compliance with authorities

Under the First Nations Financial Transparency Act, the Nation is required to make their audited financial statements available to their members as well as publish it on the Indigenous Services Canada website by July 29, 2022. As the audit report is dated after July 29, 2022, the Nation is not in compliance with the Act. The Cree Nation does not anticipate any financial cost due to the late submission of its consolidated financial statements.



Canoe Lake Cree First Nation

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2022

	Infrastructure	Buildings	Equipment	Land	Assets Under Construction	2022 Actual	2021 Actual
Cost							
Balance, beginning of year	7,223,699	35,923,915	1,040,044	5,931,000	5,481,083	55,599,741	53,069,178
Acquisition of tangible capital assets	133,875	11,787	429,666	-	3,016,894	3,592,222	2,982,916
Disposal of tangible capital assets	-	-	(20,455)	-	-	(20,455)	-
Write down of tangible capital assets	-	-	-	-	-	-	(452,353)
Transfer of completed assets under construction	-	1,277,403	-	-	(1,277,403)	-	-
Balance, end of year	7,357,574	37,213,105	1,449,255	5,931,000	7,220,574	59,171,508	55,599,741
Accumulated amortization							
Balance, beginning of year	5,068,562	25,878,539	805,065	-	-	31,752,166	30,420,655
Annual amortization	138,117	1,482,510	224,584	-	-	1,845,211	1,783,864
Write down of tangible capital assets	-	-	-	-	-	-	(452,353)
Balance, end of year	5,206,679	27,361,049	1,029,649	-	-	33,597,377	31,752,166
Net book value of tangible capital assets	2,150,895	9,852,056	419,606	5,931,000	7,220,574	25,574,131	23,847,575
2021 Net book value of tangible capital assets	2,155,137	10,045,376	234,979	5,931,000	5,481,083	23,847,575	



Canoe Lake Cree First Nation

Schedule 2 - Schedule of Consolidated Expenses by Object

For the year ended March 31, 2022

	2022	2021
Consolidated expenses by object		
Advertising	29,407	45,818
Amortization	1,845,211	1,783,864
Assistance	1,084,294	1,125,840
Bank charges and interest	97,162	73,164
Basic needs	1,307,040	1,524,339
Care fees	148,179	156,431
Community events	216,164	44,009
Contracted services	1,710,640	3,720,832
Cultural activities	117,492	90,655
Emergency management	1,697,131	1,225,205
Freight	11,291	14,001
Furniture and equipment	226,463	112,966
Honouraria	36,685	3,226
Insurance	193,045	134,537
Interest on long-term debt	207,719	250,766
Meeting	174,471	60,782
Miscellaneous	43,322	-
Office rent	2,250	31,200
Office supplies	118,992	129,337
Professional fees	821,943	835,358
Program expense	1,236,347	1,271,920
Repairs and maintenance	1,347,242	1,128,738
Salaries and benefits	6,208,907	6,934,893
Special needs	202,453	152,707
Student expenses	92,428	86,765
Supplies	440,507	406,074
Telephone	114,179	96,964
Training allowance	769,680	589,717
Travel	1,181,870	586,772
Tuition	301,308	363,678
Utilities	498,531	457,954
Vehicle	138,268	82,672
	22,620,621	23,521,184



Canoe Lake Cree First Nation
Capital
Schedule 3 - Schedule of Revenue and Expenses Surplus
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	4,051,094	5,307,163
Canada Mortgage and Housing Corporation	450,629	464,782
Rental income	179,824	192,160
Other	50,796	27,312
Investment income	5,207	5,728
	4,737,550	5,997,145
Expenses		
Administration	4,400	-
Amortization	1,110,740	1,121,909
Contracted services	464,705	2,517,624
Honouraria	26,735	-
Insurance	169,623	134,537
Interest on long-term debt	40,588	60,059
Professional fees	5,880	21,390
Repairs and maintenance	788,212	705,140
Salaries and benefits	75,310	106,982
Supplies	7,266	132,157
Travel	20,841	10,056
Vehicle	-	301
	2,714,300	4,810,155
Surplus before transfers	2,023,250	1,186,990
Transfers between programs	-	(100,275)
Surplus	2,023,250	1,086,715



Canoe Lake Cree First Nation
Economic Development
Schedule 4 - Schedule of Revenue and Expenses Surplus (Deficit)
For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	139,662	186,938
MLTC Program Services Inc.	88,149	85,774
Investment income	101,026	57,141
Expense recoveries	-	17,308
Contract revenue	169,808	2,385
Other	18,783	-
Earnings (loss) from investment in Nation business entities	(135,047)	(449,661)
	382,381	(100,115)
Expenses		
Amortization	16,751	-
Assistance	103,000	46,000
Contracted services	181,818	89,302
Honouraria	5,800	-
Meeting	8,049	8,436
Professional fees	26,368	41,567
Repairs and maintenance	82,949	-
Salaries and benefits	5,400	-
Supplies	6,216	7,863
Telephone	2,877	-
Travel	78,175	2,019
Program expense	113,262	19,989
	630,665	215,176
Deficit before transfers	(248,284)	(315,291)
Transfers between programs	-	(18,262)
Deficit	(248,284)	(333,553)



Canoe Lake Cree First Nation Education

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

For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	6,816,985	6,246,468
MLTC Program Services Inc.	412,073	310,101
National Indian Brotherhood Trust Fund	66,465	-
Other	53,737	77,050
Expense recoveries	15,063	24,047
Government of Saskatchewan	23,747	-
Contract revenue	23,743	202,800
	7,411,813	6,860,466
Expenses		
Administration	274,735	251,071
Advertising	-	3,200
Amortization	34,825	2,750
Contracted services	315,490	577,712
Cultural activities	44,971	42,330
Freight	985	3,546
Furniture and equipment	35,339	37,741
Honouraria	-	200
Meeting	23,906	1,750
Office supplies	15,281	47,565
Professional fees	64,127	13,000
Repairs and maintenance	35,146	6,347
Salaries and benefits	3,254,597	3,188,137
Student expenses	92,428	86,765
Supplies	216,941	183,607
Telephone	9,986	10,801
Training allowance	639,209	513,040
Travel	101,904	62,574
Tuition	301,308	363,678
Utilities	107,133	117,602
Vehicle	95,132	39,553
Program expense	51,685	57,482
	5,715,128	5,610,451
Surplus before transfers	1,696,685	1,250,015
Transfers between programs	(122,064)	(104,335)
Surplus	1,574,621	1,145,680



Canoe Lake Cree First Nation
First Nation Programs
Schedule 6 - Schedule of Revenue and Expenses Surplus (Deficit)
For the year ended March 31, 2022

	2022	2021
Revenue		
MLTC Program Services Inc.	425,678	278,488
Indigenous Services Canada	87,591	148,805
Meadow Lake Health & Social Development Authority Inc.	113,075	130,884
First Nations Trust	441,659	545,167
Fuel tax revenue	150,651	138,654
Investment income	1,119,872	128,240
Other	19,463	60,502
Expense recoveries	3,987	36,654
Saskatchewan Lotteries	10,799	10,507
Rental income	7,875	9,625
Government of Saskatchewan	-	500
Canoe Lake Cree First Nation TLE Trust	100,000	-
	2,480,650	1,488,026
Expenses		
Administration	10,906	20,671
Advertising	-	13,200
Amortization	15,613	15,613
Assistance	622,680	316,074
Bank charges and interest	48,778	33,659
Community events	175,801	11,575
Contracted services	24,880	5,490
Cultural activities	-	6,300
Insurance	23,422	-
Interest on long-term debt	167,131	190,707
Jordan's Principle programming	-	22,500
Meeting	22,564	2,540
Miscellaneous	43,322	-
Office supplies	-	26,237
Professional fees	501,231	506,050
Program expense	-	50,000
Repairs and maintenance	800	2,375
Salaries and benefits	569,406	420,007
Supplies	20,141	12,836
Training allowance	-	1,500
Travel	164,409	19,104
Vehicle	5,271	31,164
	2,416,355	1,707,602
Surplus (deficit)	64,295	(201,314)



Canoe Lake Cree First Nation Government Services

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

For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	2,060,304	1,713,590
MLTC Program Services Inc.	477,753	430,274
Other	100,546	143,067
Expense recoveries	57,705	9,811
Investment income	2,729	1,487
Canoe Lake Cree First Nation TLE Trust	-	100,000
	2,699,037	2,398,229
Expenses		
Administration	(626,851)	(701,690)
Advertising	21,973	24,693
Amortization	35,035	35,035
Bank charges and interest	38,422	39,505
Contracted services	165,185	148,414
Cultural activities	15,943	8,241
Emergency management	1,338,120	665,232
Freight	217	-
Furniture and equipment	26,070	21,935
Honouraria	-	3,026
Meeting	58,562	22,986
Office supplies	51,023	35,049
Professional fees	224,337	253,141
Program expense - CRIF	293,432	195,422
Repairs and maintenance	2,400	-
Salaries and benefits	1,007,966	1,281,845
Supplies	-	500
Telephone	46,825	39,511
Training allowance	3,645	-
Travel	659,267	408,843
Utilities	9,853	6,723
Vehicle	272	2,517
Assistance	-	101,835
	3,371,696	2,592,763
Deficit	(672,659)	(194,534)



Canoe Lake Cree First Nation Health

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

For the year ended March 31, 2022

	2022	2021
Revenue		
Meadow Lake Health & Social Development Authority Inc.	2,320,564	3,180,543
Indigenous Services Canada	556,439	740,279
MLTC Child & Family Services Inc.	478,464	286,789
Expense recoveries	-	37,072
Rental income	-	600
Other	430	(960)
	3,355,897	4,244,323
Expenses		
Administration	336,810	429,948
Advertising	7,434	4,725
Amortization	63,276	48,429
Assistance	151,871	202,301
Community events	40,363	32,434
Contracted services	427,753	252,511
Cultural activities	56,578	33,784
Emergency management	359,011	559,973
Furniture and equipment	1,398	31,134
Honouraria	4,150	-
Jordan's Principle programming	593,539	689,396
Meeting	58,515	25,070
Office rent	2,250	31,200
Office supplies	49,508	18,086
Prevention planning	131,374	166,538
Professional fees	-	210
Program expense	8,979	66,461
Program expense - CRIF	948	-
Repairs and maintenance	56,890	99,483
Salaries and benefits	828,514	1,492,399
Special needs	4,788	-
Supplies	15,695	18,266
Telephone	32,988	33,160
Training allowance	14,746	5,711
Travel	86,684	62,538
Utilities	97,340	114,111
Vehicle	34,918	9,137
Wellness programming	41,728	4,132
	3,508,048	4,431,137
Deficit	(152,151)	(186,814)



Canoe Lake Cree First Nation Infrastructure

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

For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	1,850,071	1,633,987
Contract revenue	40,618	54,481
Expense recoveries	-	50,446
Rental income	22,540	23,850
Other	-	220
	1,913,229	1,762,984
Expenses		
Amortization	568,971	560,128
Bank charges and interest	9,962	-
Contracted services	130,078	128,760
Freight	10,089	10,455
Furniture and equipment	163,656	22,156
Repairs and maintenance	380,845	315,393
Salaries and benefits	431,387	430,031
Supplies	174,248	50,845
Telephone	19,518	12,540
Training allowance	-	150
Travel	38,483	21,398
Utilities	284,205	219,518
Vehicle	2,675	-
	2,214,117	1,771,374
Deficit before other item	(300,888)	(8,390)
Other item		
Loss on disposal of tangible capital assets	(20,455)	-
Deficit before transfers	(321,343)	(8,390)
Transfers between programs	122,064	204,610
Surplus (deficit)	(199,279)	196,220



**Canoe Lake Cree First Nation
Reserves**

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

For the year ended March 31, 2022

	2022	2021
Revenue		
Indigenous Services Canada	59,735	19,084
Expenses		
Meeting	2,875	-
Office supplies	3,180	2,400
Salaries and benefits	36,327	15,492
Telephone	1,985	952
Travel	32,107	240
	76,474	19,084
Deficit	(16,739)	-



Canoe Lake Cree First Nation Social

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

For the year ended March 31, 2022

	2022	2021
Revenue		
MLTC Program Services Inc.	1,864,996	2,281,502
Indigenous Services Canada	114,211	70,335
	1,979,207	2,351,837
Expenses		
Basic needs	1,307,040	1,524,339
Care fees	148,179	156,431
Contracted services	731	1,019
Program expense	1,400	-
Special needs	197,665	152,707
Training allowance	112,080	69,316
Assistance	206,743	459,630
	1,973,838	2,363,442
Surplus (deficit)	5,369	(11,605)