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# OPASKWAYAK CREE NATION

## CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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# OPASKWAYAK CREE NATION

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**MARCH 31, 2021**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

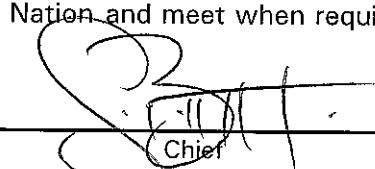
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

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



Chief



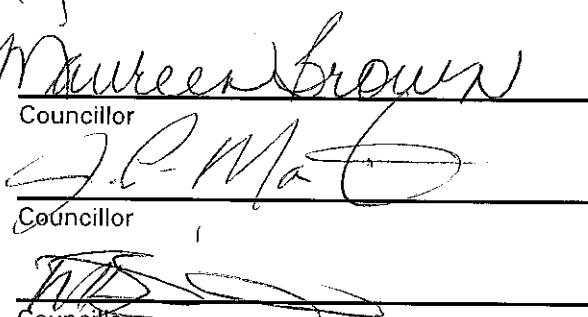
Councillor



Councillor



Councillor



Councillor

## INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership  
Opaskwayak Cree Nation

### Opinion

We have audited the accompanying consolidated financial statements of Opaskwayak Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Opaskwayak Cree Nation as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Opaskwayak Cree Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing Opaskwayak Cree Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Opaskwayak Cree Nation or to cease operations, or has no realistic alternative but to do so.

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

*(continued.....)*

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Opaskwayak Cree Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Opaskwayak Cree Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Opaskwayak Cree Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

  
Chartered Professional Accountants

The Pas, Manitoba  
May 10, 2022

# OPASKWAYAK CREE NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2 0 2 1	2 0 2 0
<b>FINANCIAL ASSETS</b>		
Cash <i>(Note 2)</i>	\$ 24,593,997	\$ 19,478,597
Restricted cash <i>(Note 3)</i>	16,622,702	6,583,830
Accounts receivable <i>(Note 4)</i>	37,586,141	17,192,566
Loans receivable <i>(Note 5)</i>	14,881,139	43,500,000
Investments <i>(Note 6)</i>	<u>17,539,207</u>	<u>9,010,721</u>
Total financial assets	<u>111,223,186</u>	<u>95,765,714</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(Note 7)</i>	6,778,510	6,470,354
Deferred revenue <i>(Note 8)</i>	21,976,434	14,939,436
Long term debt <i>(Note 9)</i>	<u>67,259,801</u>	<u>68,226,636</u>
Total liabilities	<u>96,014,745</u>	<u>89,636,426</u>
Net assets	<u>15,208,441</u>	<u>6,129,288</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 11)</i>	79,415,883	71,670,125
Construction in progress <i>(Note 12)</i>	8,848,033	3,244,228
Prepaid expenses	<u>117,184</u>	<u>359,156</u>
Total non-financial assets	<u>88,381,100</u>	<u>75,273,509</u>
Accumulated surplus	<u>\$103,589,541</u>	<u>\$ 81,402,797</u>
Contingent liabilities <i>(Note 13)</i>		

Approved on behalf of Chief and Council

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Councillor

# OPASKWAYAK CREE NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2021	2020
<b>REVENUE</b>			
Indigenous Services Canada	\$ 42,770,407	\$ 49,702,335	\$ 42,575,620
First Nations and Inuit Health	10,780,491	11,363,925	8,674,576
Employment and Social Development Canada	1,532,507	1,512,016	2,362,533
Canada Mortgage and Housing Corporation	1,783,125	646,980	729,935
National Research Council Canada		46,914	4,331
Public Safety Canada	660,969	460,066	79,053
Province of Manitoba	1,279,164	3,326,515	3,970,408
Assembly of Manitoba Chiefs	534,983	1,046,661	422,380
Band generated revenue	11,068,388	6,334,159	6,938,291
Gain on investments		8,073,470	
Interest income	1,532,000	6,813,419	5,325,055
Investment impairment recovery		504,332	
Manitoba Keewatinowi Okimakanak Inc.	1,330,895	1,374,945	637,727
Other	1,372,536	2,085,944	3,125,647
Rental and user fees	2,843,277	2,680,819	2,824,524
Eliminations	<u>-</u>	<u>( 2,901,946)</u>	<u>( 3,006,683)</u>
	<b><u>77,488,742</u></b>	<b><u>93,070,554</u></b>	<b><u>74,663,397</u></b>
<b>EXPENDITURES</b>			
Governance and administration	4,163,968	4,237,832	3,813,318
Hydro funds	1,054,200	1,040,208	1,014,465
Band funds	440,250	1,272,227	12,119,159
Band development authority	1,027,072	748,566	643,446
Lands and leases	1,005,304	871,345	816,688
Capital and capital projects	2,927,419	2,637,586	2,221,586
Employment and training	1,224,027	1,613,455	1,935,671
Social services	7,427,513	7,601,154	7,753,099
Child care	1,219,017	892,253	1,116,945
Public works, water and sewer	2,591,182	2,746,428	2,528,020
Recreation		108,529	1,368,084
Fire department	406,603	372,444	265,441
Community buildings	1,850,950	1,631,623	1,638,179
Special projects	1,247,132	4,714,490	2,034,854
Education	23,733,366	21,180,755	18,858,810
Care home	4,513,343	4,820,779	4,407,880
Health	12,129,205	13,047,545	9,839,916
Housing	6,073,528	3,483,313	3,170,269
Land tax		140,800	292,254
Economic development		624,424	555,563
Eliminations	<u>-</u>	<u>( 2,901,946)</u>	<u>( 3,006,683)</u>
	<b><u>73,034,079</u></b>	<b><u>70,883,810</u></b>	<b><u>73,386,964</u></b>
ANNUAL SURPLUS	<b>4,454,663</b>	<b>22,186,744</b>	<b>1,276,433</b>
ACCUMULATED SURPLUS, <i>beginning of year</i>	<b><u>81,402,797</u></b>	<b><u>81,402,797</u></b>	<b><u>80,126,364</u></b>
ACCUMULATED SURPLUS, <i>end of year</i>	<b><u>\$ 85,857,460</u></b>	<b><u>\$ 103,589,541</u></b>	<b><u>\$ 81,402,797</u></b>

# OPASKWAYAK CREE NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 1	2 0 2 0
Annual surplus	\$ 4,454,663	\$ 22,186,744	\$ 1,276,433
Acquisition of tangible capital assets and construction in progress		( 19,162,855)	( 8,116,700)
Amortization of tangible capital assets	—	<u>5,813,292</u>	<u>4,972,552</u>
	—	( 13,349,563)	( 3,144,148)
Acquisition of prepaid expenses		( 117,184)	( 359,156)
Use of prepaid expenses	—	<u>359,156</u>	<u>157,746</u>
	—	<u>241,972</u>	( 201,410)
CHANGE IN NET ASSETS FOR YEAR	4,454,663	<u>9,079,153</u>	( 2,069,125)
NET ASSETS, <i>beginning of year</i>	<u>6,129,288</u>	<u>6,129,288</u>	<u>8,198,413</u>
NET ASSETS, <i>end of year</i>	<u>\$ 10,583,951</u>	<u>\$ 15,208,441</u>	<u>\$ 6,129,288</u>

# OPASKWAYAK CREE NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

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### CASH FLOW FROM

#### *OPERATING ACTIVITIES*

Cash received from funding and other sources	\$ 82,467,580	\$ 73,845,267
Cash paid to suppliers and employees	( 62,555,889)	( 57,802,365)
Interest received	6,813,419	5,325,055
Interest paid	( 1,380,975)	( 1,698,657)
	<u>25,344,135</u>	<u>19,669,300</u>

#### *CAPITAL ACTIVITIES*

Acquisition of tangible capital assets and construction in progress	( 19,162,855)	( 8,116,700)
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#### *INVESTING ACTIVITIES*

Receipts (advances) of loans receivable	28,618,861	( 34,500,000)
Long term investments	( 619,297)	( 313,656)
	<u>27,999,564</u>	<u>( 34,813,656)</u>

#### *FINANCING ACTIVITIES*

Proceeds from long term debt	1,200,582	33,358,042
Repayment of long term debt	( 2,167,417)	( 2,104,224)
Advances to related parties - net	( 18,059,737)	( 1,470,327)
	<u>( 19,026,572)</u>	<u>29,783,491</u>

#### NET INCREASE IN CASH DURING YEAR

CASH, <i>beginning of year</i>	<u>26,062,427</u>	<u>19,539,992</u>
CASH, <i>end of year</i>	<u>\$ 41,216,699</u>	<u>\$ 26,062,427</u>

#### CASH COMPRISED OF

Cash	\$ 24,593,997	\$ 19,478,597
Restricted cash	16,622,702	6,583,830
	<u>\$ 41,216,699</u>	<u>\$ 26,062,427</u>

# OPASKWAYAK CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

#### *REPORTING ENTITY*

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

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

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

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

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

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

With the exception of the Aseneskak Casino Limited Partnership which has been included in these financial statements using a March 31, 2021 year end, the financial information for the above incorporated entities included in these financial statements is for the year ended December 31, 2020.

- Opaskwayak Cree Nation VLT Centre

The financial information for the above unincorporated entities included in these financial statements is for the year ended March 31, 2021.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2021****1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)******ASSET CLASSIFICATION***

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

***CASH AND CASH EQUIVALENTS***

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

***SHORT TERM INVESTMENTS***

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

***INVESTMENTS***

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

***NET ASSETS (DEBT)***

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

***TANGIBLE CAPITAL ASSETS***

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

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

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Cree Nation's ability to provide goods or services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2021****1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)***

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

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

**SEGMENTS**

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

**REVENUE RECOGNITION**

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

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

**FINANCIAL INSTRUMENTS**

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

**FAIR VALUE**

Due to the short term nature of all financial instruments other than long term debt and investments, the carrying value as presented in financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the period in which it becomes known. For investments in government business enterprises and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates. Items requiring significant estimates include the allowance for doubtful accounts and the useful life of tangible capital assets.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2021****1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)******RECENT ACCOUNTING PRONOUNCEMENTS*****PRONOUNCEMENTS EFFECTIVE FOR FISCAL YEARS BEGINNING ON OR AFTER APRIL 1, 2022**

In June 2011, the PSAB issued Section PS 1201, Financial Statement Presentation, which revises and replaces Financial Statement Presentation, Section PS 1200. The new standard introduces a new statement for reporting of remeasurement gains and losses. Earlier adoption is permitted.

In June 2011, the PSAB issued Section PS 2601, Foreign Currency Translation, which revises and replaces Foreign Currency Translations, Section PS 2600. Definition of currency risk is aligned with the new Financial Instruments Section, PS 3450. The new standard also removes certain previously available exceptions to measurement of items on initial recognition. The deferral and amortization of foreign exchange gains and losses relating to long-term foreign currency denominated monetary items, hedge accounting and presentation of items as synthetic instruments are removed. In addition, the new statement of remeasurement gains and losses introduced in Section PS 1201 is used to reflect exchange gains and losses until the period of settlement, rather than reflecting them in the statement of operations. Earlier adoption is permitted.

In March 2012, the PSAB issued Section PS 3041, Portfolio Investments, which replaces Section PS 3040, Portfolio Investments. In addition, Section PS 3030 is withdrawn as the distinction between temporary and portfolio investments is removed with the issue of Section PS 3041. The scope in the new standard is expanded to include interests in pooled investment funds and requirement for application of cost method is removed. The new standard is also aligned with the new Financial Instrument Section, PS 3450. Earlier adoption is permitted.

In June 2011, the PSAB issued Section PS 3450, Financial Instruments, which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. The standard introduces two measurement categories: fair value and cost or amortized cost. The statement of remeasurement gains and losses will reflect gains and losses arising on fair value remeasurement until an item is derecognized. The standard also introduces new disclosure requirements of items reported and the nature and extent of risks arising from financial instruments. Earlier adoption is permitted.

In August 2018, the PSAB issued Section PS 3280, Asset Retirement Obligations, which establishes standards on how to account for and report a liability for asset retirement obligations. Earlier adoption is permitted.

**PRONOUNCEMENTS EFFECTIVE FOR FISCAL YEARS BEGINNING ON OR AFTER APRIL 1, 2023**

In November 2018, the PSAB issued Section PS 3400, Revenue, which establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. Earlier adoption is permitted.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

## 2. CASH

Cash is comprised of the following:

	2 0 2 1	2 0 2 0
Unrestricted		
Opaskwayak Cree Nation	\$ 9,566,857	\$ 9,541,927
Opaskwayak Cree Nation Land Tax	213,560	35,697
Opaskwayak Educational Authority Inc.	6,004,218	3,776,681
Opaskwayak Health Authority	5,637,148	4,331,517
Opaskwayak Housing Authority	2,680,854	1,358,260
Rod McGillivary Memorial Care Home	<u>491,360</u>	<u>434,515</u>
	<u><u>\$ 24,593,997</u></u>	<u><u>\$ 19,478,597</u></u>

## 3. RESTRICTED CASH

## CMHC Replacement Reserve

As required as part of the Cree Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to tangible capital assets. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2021, \$982,479 (2020 - \$1,213,869) had been deposited into separate accounts leaving an over funded balance of \$71,669 (2020 - \$325,792).

## Ottawa Trust Fund

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

	2 0 2 1	2 0 2 0
CMHC Replacement Reserve		
Opaskwayak Housing Authority	982,479	1,213,869
Ottawa Trust Fund	7	7
First Nations Finance Authority	3,081,321	3,060,483
Health Moveable Assets Reserve	109,953	97,983
Internally Restricted Reserves and Funds		
Rod McGillivary Memorial Care Home	211,455	211,399
Opaskwayak Cree Nation	10,351,158	111,405
Opaskwayak Educational Authority Inc.	25,520	27,651
Opaskwayak Health Authority	1,761,040	1,761,179
Opaskwayak Housing Authority	<u>99,769</u>	<u>99,854</u>
	<u><u>\$ 16,622,702</u></u>	<u><u>\$ 6,583,830</u></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

## 4. ACCOUNTS RECEIVABLE

	2 0 2 1	2 0 2 0
Indigenous Services Canada		
Basic Needs - COVID-19	\$	\$
Basic Needs - Septic	152,974	648
Capacity Building	15,500	
Capital	153,727	153,727
Community Economic Development	29,249	29,249
Economic Development	20,000	
Education Design and Construction	51,340	
Education O&M	31,630	31,630
ESA Steps 7-9 (2020 - Steps 5-6)	100,000	12,254
Facilities O&M	24,986	24,986
Fire Smart	157,685	7,200
FN School 2nd Level		128,541
FN School Kindergarten		66,742
Perimeter Security	173,836	
Preparedness	13,800	13,800
Response COVID-19		346,932
Roads and Bridges	525,000	
Water Treatment Plant	225,000	
First Nations and Inuit Health		
Aboriginal Headstart	12,414	
Community Disease Control and Management		8,934
COVID-19 Response Capital Investments	1,587,116	
Foot Care Initiative	3,627	
Healthy Child Development		1,106
Health Facilities	7,554	
Home and Community Care	20,783	30,842
Jordan's Principle - Education Assistance		58,500
Jordan's Principle - Home Modification		17,209
Medical Transportation	205,500	
Mental Health Care	85,492	
Mental Wellness	13,844	12,750
Nursing - Canadian Prenatal Nutrition Program	1,693	
Nursing	6,516	
Physician Travel		32,934
Planning and Quality System Initiative	19,039	17,380
Public Health	3,679	
Public Health - Nurse Support	3,473	
Substance Abuse and Prevention	5,662	
Advances receivable	29,104	13,133
C.M.H.C.	12,670	12,670
Goods and services tax	17,379	41,572
Housing rents	5,896,423	5,730,074
Related entities	31,067,357	12,971,849
Organizations, individuals and other receivables	<u>8,230,022</u>	<u>8,058,131</u>
Subtotal	48,664,260	28,062,607
Less: Allowance for doubtful accounts		
Organizations, individuals and other receivables	( 5,466,937)	( 5,390,885)
Housing rents	<u>( 5,611,182)</u>	<u>( 5,479,156)</u>
	<u>\$ 37,586,141</u>	<u>\$ 17,192,566</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

## 5. LOANS RECEIVABLE

Loans receivable, due on December 31, 2024 from Meta Growth Corp., interest at 10% per annum, receivable in monthly installments of interest only.

2 0 2 1

2 0 2 0

\$ 9,000,000 \$ 9,000,000

Loans receivable, due on December 31, 2024 from Meta Growth Corp., interest at 10% per annum, receivable in monthly installments of interest only.

4,000,000 4,000,000

Promissory notes receivable, due on June 30, 2021 from Cresco Labs, interest at 10% per annum, receivable in monthly installments of interest only.

823,631 30,500,000

Loans receivable, due on July 31, 2026 from Misipawistik Cree Nation, interest at 2% per annum, receivable in monthly installments of \$16,369 (P & I).

1,057,508 -

\$ 14,881,139 \$ 43,500,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

## 6. INVESTMENTS

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

	Business Entities	Portfolio Investments	2 0 2 1	2 0 2 0
Cash	\$ 3,491,638	\$ 1,119,411	\$ 4,611,049	\$ 5,661,024
Account receivable	2,052,203	221,326	2,273,529	1,819,578
Inventory	455,270	9,998	465,268	665,155
Capital assets	7,533,985	726,521	8,260,506	7,713,281
Investment	557,494	17,106,355	17,663,849	9,479,164
Other assets	<u>9,100,385</u>	<u>1,022,074</u>	<u>10,122,459</u>	<u>10,209,607</u>
<b>TOTAL ASSETS</b>	<b>\$ 23,190,975</b>	<b>\$ 20,205,685</b>	<b>\$ 43,396,660</b>	<b>\$ 35,547,809</b>
Accounts payable	\$ 1,507,226	\$ 320,712	\$ 1,827,938	\$ 1,850,097
Long term debt	1,613,205	292,909	1,906,114	1,304,131
Other Liabilities	<u>9,421,243</u>	<u>12,702,158</u>	<u>22,123,401</u>	<u>23,382,860</u>
<b>TOTAL LIABILITIES</b>	<b>12,541,674</b>	<b>13,315,779</b>	<b>25,857,453</b>	<b>26,537,088</b>
<b>EQUITY</b>	<b><u>10,649,301</u></b>	<b><u>6,889,906</u></b>	<b><u>17,539,207</u></b>	<b><u>9,010,721</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 23,190,975</b>	<b>\$ 20,205,685</b>	<b>\$ 43,396,660</b>	<b>\$ 35,547,809</b>
REVENUE	\$ 21,309,296	\$ 4,651,081	\$ 25,960,377	\$ 30,140,533
EXPENDITURES	( 21,071,755)	( 1,629,436)	( 22,701,191)	( 26,584,275)
OTHER ITEMS	( 260,892)	4,910,896	4,650,004	( 13,613,466)
<b>NET INCOME (LOSS)</b>	<b>\$ ( 23,351)</b>	<b>\$ 7,932,541</b>	<b>\$ 7,909,190</b>	<b>\$ ( 10,057,208)</b>

Business Entities

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

Portfolio Investments

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

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 1	2 0 2 0
Accrued liabilities	\$ 1,851,819	\$ 2,433,651
Payroll remittances and deductions	126,838	5,383
Related entities	786,563	750,792
Vendor payables and other	<u>4,013,290</u>	<u>3,280,528</u>
	<b>\$ 6,778,510</b>	<b>\$ 6,470,354</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

## 8. DEFERRED REVENUE

	2 0 2 1	2 0 2 0
Indigenous Services Canada		
Amisk West Subdivision	\$ 750,000	\$ 129,479
Assisted Living	228,266	152,974
Basic Needs COVID-19	127,848	
Basic Needs COVID-19 50% Pro-ration	22,400	
Basic Needs COVID-19 Disability	648	
Basic Needs COVID-19 Septic Pumpouts	531,765	
Basic Needs COVID-19 Top-up	15,500	
Capacity Building	177,867	
Care Home Support COVID-19	527,307	
Case Management Capacity	118,853	
Client Supports	1,511,729	
Community Led Planning	103,577	
Community Well Being Jurisdiction Initiative	1,123,000	
Comprehensive Community Planning	313,581	
New Housing Construction	66,592	
COVID-19 Safe Restart School	20,000	
COVID-19 School Re-opening	40,538	
Economic Capacity Building	106,066	
Education Innovation	2,052,651	
Education Planning and Design	14,400	
Elementary and Secondary Education	150,485	
Emergency Preparedness	599,026	
Firesmart	319,215	
Five Unit Housing Project	20,000	
High Cost Education - New Allotment	50,000	
Housing Capacity Development	341,237	
Housing Community Enhancement	523,790	
Housing Renovations	45,208	
Income assistance	100,000	
Lagoon Project	251,856	
Land Remediation	197,100	
Landfill Project	1,237,713	
Lot Development Fund	2,700	
Motivational Interviewing Training	244,721	
Northern Economy Development Summit	105,040	
Planning and Risk Management	728,974	
Post Secondary and Professional	197,100	
Post Secondary Student Support	1,353,076	
Response COVID-19	281,491	
School Program - Kindergarten	54,579	
Second Level Funding	22,662	
Service Delivery COVID-19	202,983	
Service Delivery Infrastructure	26,834	
Skills Link - Education Youth Employment	63,314	
Skills Link - Links to Success	154,492	
Skills Link - Social	64,243	
Special Education 2nd Level Targeted	625,499	
Special Needs COVID-19	3,181,123	
Water Treatment Plant	13,986,307	9,559,773

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

8. DEFERRED REVENUE *(continued)*

	2 0 2 1	2 0 2 0
First Nations and Inuit Health		
CDE Planning and Response	<b>991,874</b>	253,986
Health Services Integration Fund	<b>325,695</b>	150,000
Jordan's Principle - Therapy Services	<b>121,472</b>	151,984
Midwifery Program	<b>1,066,974</b>	261,990
Non-Insured Health Benefits - Transportation	<b>38,940</b>	
Non-Insured Health Benefits - Vision	<b>18,525</b>	
Physician Travel	<b>-</b>	
Response COVID-19	<b>119,613</b>	<b>875,425</b>
Other Programs		
Opaskwayak Cree Nation	<b>4,390,287</b>	3,286,836
Opaskwayak Education Services Inc.	<b>25,497</b>	<b>103,989</b>
Opaskwayak Health Authority	<b>879,145</b>	1,113,413
Opaskwayak Housing Authority	<b>69,570</b>	<b>4,504,238</b>
	<b>\$ 21,976,434</b>	<b>\$ 14,939,436</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

## 9. LONG TERM DEBT

2021 2020

Caterpillar Financial Services Limited financing payable, interest at 5.95%, repayable in monthly installments of \$6,235 (P&I), due August 2021, secured by assignment of title.	\$ 24,633	\$ 95,674
Caterpillar Financial Services Limited financing payable, interest at 5.95%, repayable in monthly installments of \$5,861 (P&I), due June 2021, secured by assignment of title.	17,410	84,523
Caterpillar Financial Services Limited financing payable, interest at 4.49%, repayable in monthly installments of \$5,732 (P&I), due July 2025, secured by assignment of title.	270,414	
First Nations Finance Authority promissory note payable, interest at 3.41%, repayable in monthly installments of \$34,004 (P&I), due June 2028, secured by assignment of provincial gaming revenue and tax rebates.	6,003,504	6,198,413
First Nations Finance Authority promissory note payable, interest at 3.65%, repayable in monthly installments of \$24,735 (P&I), due June 2028, secured by assignment of provincial gaming revenue and tax rebates.	4,271,898	4,406,346
First Nations Finance Authority promissory note payable, interest at 2.72%, repayable in monthly installments of \$101,538 (P&I), due June 2028, secured by assignment of provincial gaming revenue and tax rebates.	19,494,154	20,000,000
First Nations Finance Authority promissory note payable, interest at 2.15%, repayable in monthly installments of \$105,783 (P&I), due June 2030, secured by assignment of provincial gaming revenue and tax rebates.	24,451,077	
First Nations Finance Authority promissory note payable, interest at 1.90%, repayable in monthly installments of \$11,124 (P&I), due June 2030, secured by assignment of provincial gaming revenue and tax rebates.	2,753,591	
First Nations Finance Authority interim financing ( <i>Note 10</i> )		27,765,000
C.M.H.C. mortgage, 1.03%, repayable in monthly installments of \$7,187 (P & I), due October 2021, secured by Ministerial Guarantee and assignment of all risks insurance.	857,967	934,977
Bank of Nova Scotia mortgage, 2.85%, repayable in monthly installments of \$5,610 (P & I), due August 2021, secured by Ministerial Guarantee and assignment of all risks insurance.	293,933	351,214
C.M.H.C. mortgage, 0.46%, repayable in monthly installments of \$4,020 (P & I), due March 2025, secured by Ministerial Guarantee and assignment of all risks insurance.	191,150	237,820
Bank of Nova Scotia mortgage, 2.94%, repayable in monthly installments of \$5,028 (P & I), due December 2020, secured by Ministerial Guarantee and assignment of all risks insurance.		11,840

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 20219. LONG TERM DEBT *(continued)*

	2 0 2 1	2 0 2 0
C.M.H.C. mortgage, 2.39%, repayable in monthly installments of \$4,538 (P & I), due March 2023, secured by Ministerial Guarantee and assignment of all risks insurance.	350,825	396,363
C.M.H.C. mortgage, 1.84%, repayable in monthly installments of \$2,826 (P & I), due September 2022, secured by Ministerial Guarantee and assignment of all risks insurance.	346,836	374,138
C.M.H.C. mortgage, 2.14%, repayable in monthly installments of \$4,506 (P & I), due March 2024, secured by Ministerial Guarantee and assignment of all risks insurance.	610,107	650,738
C.M.H.C. mortgage, 0.32%, repayable in monthly installments of \$4,172 (P&I), due August 2021, secured by Ministerial Guarantee and assignment of all risks insurance.	729,144	774,416
C.M.H.C. mortgage, 1.05%, repayable in monthly installments of \$5,211 (P & I), due August 2021, secured by Ministerial Guarantee and assignment of all risks insurance.	889,767	942,693
C.M.H.C. mortgage, 1.86%, repayable in monthly installments of \$5,224 (P & I), due April 2024, secured by Ministerial Guarantee and assignment of all risks insurance.	1,176,630	1,217,158
C.M.H.C. mortgage, 1.89%, repayable in monthly installments of \$3,482 (P & I), due November 2024, secured by Ministerial Guarantee and assignment of all risks insurance.	654,799	683,989
C.M.H.C. mortgage, 1.30%, repayable in monthly installments of \$3,722 (P & I), due June 2022, secured by Ministerial Guarantee and assignment of all risks insurance.	829,191	862,892
C.M.H.C. mortgage, 2.52%, repayable in monthly installments of \$5,720 (P & I), due September 2023, secured by Ministerial Guarantee and assignment of all risks insurance.	1,179,327	1,217,940
C.M.H.C. mortgage, 0.80%, repayable in monthly installments of \$5,866 (P & I), due May 2025, secured by Ministerial Guarantee and assignment of all risks insurance.	1,250,560	
C.M.H.C. mortgage advances to be converted to long term debt upon completion of Post-96 housing project.	<u>612,884</u>	<u>1,020,502</u>
	<u>\$ 67,259,801</u>	<u>\$ 68,226,636</u>

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

March 31, 2022	\$ 2,584,095
2023	2,603,454
2024	2,666,517
2025	2,731,285
2026	2,692,469

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

MARCH 31, 2021

## 10. INTERIM FINANCING - FIRST NATIONS FINANCE AUTHORITY

The Cree Nation entered into an agreement with the First Nations Finance Authority (FNFA) to borrow funds at a variable interest rate ranging from 2.4% to 3.75%. The funds received have been advanced by the FNFA in anticipation of a bond issuance by the FNFA. This interim financing will be replaced by long term financing upon the issuance of such securities based on the earlier of five years from the date of issuance of the interim financing or the completion by the First Nation of the defined purpose included in the Borrowing Agreement.

The interim financing loans require monthly interest payments only and are paid from secured revenue sources other than Indigenous Services Canada or First Nations and Inuit Health funding. These funds are specified in the Borrowing Law adopted by the First Nation and are paid directly into a Secured Revenues Trust Account (SRTA), which is governed by a Secured Revenues Trust Management Agreement between the Cree Nation and the FNFA.

The following amounts are withdrawn directly from the SRTA, which is governed by a trust agreement:

- 1) Monthly interest and principal payments directly to the FNFA under the terms of the Borrowing Agreement, and
- 2) The excess in the SRTA is paid to the Cree Nation.

#### A) DEBT RESERVE FUND:

Investment: 5% of any funds borrowed from the FNFA are held by the FNFA in a fund as security for bond and interim financing providers payments. If at any time the Cree Nation does not have sufficient funds to meet its obligations under the terms and conditions of the Borrowing Agreement, the payments will be made from the Debt Reserve Fund. As at March 31, 2021 \$3,037,361 (2020 - \$3,034,388) was held in this fund.

2021 2020

## B) CURRENT INTERIM FINANCING

**Funds outstanding** \$ - \$ 27,765,000

Total interest paid during the current fiscal year on interim financing was \$180,928.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2021**

### 11. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	2021	Total 2020
Buildings	\$ 101,228,904	\$ 2,640,643	\$ 103,869,547	\$ 40,551,846	\$ 3,091,434	\$ 43,643,280	\$ 60,226,267	\$ 60,677,058
Computers	1,779,738	176,459	1,956,197	993,890	118,435	1,112,325	843,872	785,848
Equipment	9,549,162	1,786,462	11,335,624	7,946,940	719,420	8,666,360	2,669,264	1,602,222
Land	1,820,743		1,820,743				1,820,743	1,820,743
Roads	6,830,819	7,493,612	14,324,431	5,256,153	238,163	5,494,316	8,830,115	1,574,666
Vehicles	6,219,198	1,424,787	7,643,985	4,459,354	763,769	5,223,123	2,420,862	1,759,844
Water and sewer	8,914,131	37,087	8,951,218	5,464,387	882,071	6,346,458	2,604,760	3,449,744
	<u>\$ 136,342,695</u>	<u>\$ 13,559,050</u>	<u>\$ 149,901,745</u>	<u>\$ 64,672,570</u>	<u>\$ 5,813,292</u>	<u>\$ 70,485,862</u>	<u>\$ 79,415,883</u>	<u>\$ 71,670,125</u>

### 12. CONSTRUCTION IN PROGRESS

	2021	2020
OCN Landfill Project	\$ 848,144	\$ 517,994
CMHC Post-96 Project	716,488	1,091,384
Water Treatment Plant	7,283,401	818,876
ISC 5 Unit Project	-	815,974
	<u>\$ 8,848,033</u>	<u>\$ 3,244,228</u>

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

## 13. CONTINGENT LIABILITIES

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

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

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

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

## 14. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause staff shortages, increased or reduced funding availability, increased or decreased demand for services, increased government regulations or interventions, all of which may negatively impact the financial conditions or results of operations of the Cree Nation. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

## 15. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 1	2 0 2 0
Arrangement: #1920-MB-000005	\$ 67,242,997	\$ 56,844,451
Plus: I.S.C. revenue deferred from prior year	9,559,773	4,295,772
F.N.I.H. revenue deferred from prior year	875,425	545,171
Less: I.S.C. revenue deferred to following year	( 13,986,307)	( 9,559,773)
F.N.I.H. revenue deferred to following year	( 2,625,628)	( 875,425)
<b>TOTAL I.S.C. AND F.N.I.H. REVENUE PER FINANCIAL STATEMENTS</b>	<b><u>\$ 61,066,260</u></b>	<b><u>\$ 51,250,196</u></b>

REVENUE PER STATEMENT OF OPERATIONS (*Statement 2*)

Indigenous Services Canada	\$ 49,702,335	\$ 42,575,620
First Nations and Inuit Health	<u>11,363,925</u>	<u>8,674,576</u>
	<b><u>\$ 61,066,260</u></b>	<b><u>\$ 51,250,196</u></b>

## 16. ECONOMIC DEPENDENCE

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2021**

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### 17. RELATED PARTY TRANSACTIONS

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

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

### 18. FINANCIAL INSTRUMENTS

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

#### Credit risk

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

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

#### Liquidity risk

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

#### Other price risk

Other price risk is the risk that the fair value of the Cree Nation's investments will fluctuate due to changes in market prices (other than those arising from foreign currency risk, or interest rate risk) whether those changes are caused by factors specific to the individual financial instrument, its issuer, or factors affecting all similar financial instruments traded in the market. It arises primarily on equity and private market investments.

The Cree Nation is primarily exposed to other price risk on its investments in High Tide Inc., which is publicly traded on the TSX Venture exchange under the symbol "HITI", Alternate Health Corp., which was publicly traded on the Canadian Securities Exchange under the symbol "AHG:CC", IM Cannabis Corp., which is publicly traded on the Canadian Securities Exchange under the symbol "IMCC", and Aequus Pharmaceuticals which is publicly traded on the TSX Venture exchange under the symbol "AQS", all operate in the cannabis industry.

As at March 31, 2021, if equity prices increased or decreased by 10% with all other factors remaining constant, net assets (debt) and accumulated surplus would have increased or decreased by approximately \$802,263.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2021****18. FINANCIAL INSTRUMENTS *(continued)*****Fair value**

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

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

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

## 19. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 1	2 0 2 0
Advertising and promotion	\$ 80,616	\$ 119,461
Amortization	5,813,292	4,972,552
Bad debts	174,539	884,294
Bank charges	73,142	88,725
Board and honoraria	222,059	381,201
Community initiatives and contributions	6,349,339	4,839,091
Dividends	1,200	
Equipment	704,072	20,705
Flood	4,391	151,808
Fuel and oil	350,953	277,176
Insurance	676,762	658,432
Interest	1,380,975	1,698,657
Loss on investment		10,138,404
Non-Insured Health Benefits	1,243,503	1,816,308
Office and general	103,174	81,151
Other	1,600,546	1,501,955
Professional fees	2,969,492	1,934,415
Property taxes, grants in lieu and leases	345,456	392,303
Rent	486,962	490,807
Repairs and maintenance	2,107,171	2,698,310
Replacement reserve	270,716	219,419
Salaries and benefits	33,852,857	27,909,491
Social assistance	6,123,064	6,279,632
Student support	4,786,550	4,337,100
Supplies	1,740,337	1,636,335
Telephone	637,016	608,275
Training	315,876	314,293
Travel	280,099	1,052,676
Utilities	1,092,797	889,471
Eliminations	<u>( 2,901,946)</u>	<u>( 3,006,683)</u>
	<u><b>\$ 70,883,810</b></u>	<u><b>\$ 73,386,964</b></u>

## 20. COMPARATIVE FIGURES

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

### 21. SEGMENT DISCLOSURE

Opaskwayak Cree Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

	Governance and Administration		Hydro and Band Funds		Band Development Authority		Land and Leases		Capital and Capital Projects	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>										
Federal Government										
ISC	\$ 1,145,455	\$ 1,119,933	\$	\$	\$ 80,981	\$ 80,180	\$ 500,874	\$ 669,534	\$ 9,501,369	\$ 6,285,918
CMHC										
ESDC										
Other	—	—	—	—	—	—	—	—	—	—
Subtotal	1,145,455	1,119,933			80,981	80,180	500,874	669,534	9,501,369	6,285,918
Other revenue	<u>1,513,487</u>	<u>1,609,970</u>	<u>20,071,463</u>	<u>11,751,129</u>	<u>58,802</u>	<u>94,934</u>	<u>414,196</u>	<u>399,412</u>	<u>—</u>	<u>—</u>
<b>Total revenue</b>	<u><b>2,658,942</b></u>	<u><b>2,729,903</b></u>	<u><b>20,071,463</b></u>	<u><b>11,751,129</b></u>	<u><b>139,783</b></u>	<u><b>175,114</b></u>	<u><b>915,070</b></u>	<u><b>1,068,946</b></u>	<u><b>9,501,369</b></u>	<u><b>6,285,918</b></u>
<b>Expenses</b>										
Amortization									2,280,800	1,743,633
Debt servicing										
Other	1,403,373	1,222,316	1,218,102	1,531,309						
Salaries and benefits	<u>2,834,459</u>	<u>2,591,002</u>	<u>1,094,333</u>	<u>11,602,315</u>	<u>261,496</u>	<u>278,677</u>	<u>409,173</u>	<u>450,806</u>	<u>356,786</u>	<u>477,953</u>
			—	—	487,070	364,769	462,172	365,882	—	—
Total expenses	<u><b>4,237,832</b></u>	<u><b>3,813,318</b></u>	<u><b>2,312,435</b></u>	<u><b>13,133,624</b></u>	<u><b>748,566</b></u>	<u><b>643,446</b></u>	<u><b>871,345</b></u>	<u><b>816,688</b></u>	<u><b>2,637,586</b></u>	<u><b>2,221,586</b></u>
<b>Surplus (Deficit)</b>	<u><b>\$( 1,578,890)</b></u>	<u><b>\$( 1,083,415)</b></u>	<u><b>\$ 17,759,028</b></u>	<u><b>\$( 1,382,495)</b></u>	<u><b>\$( 608,783)</b></u>	<u><b>\$( 468,332)</b></u>	<u><b>\$ 43,725</b></u>	<u><b>\$ 252,258</b></u>	<u><b>\$ 6,863,783</b></u>	<u><b>\$ 4,064,332</b></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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

	Employment and Training		Social Services		Child Care		Economic Development		Public Works, Water and Sewer	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>										
Federal Government										
ISC	\$ 279,344	\$ 177,038	\$ 7,605,110	\$ 8,069,710	\$ 265,114	\$ 252,700	\$ 624,424	\$ 555,563	\$ 1,061,793	\$ 852,901
FNIH										
CMHC										
ESDC	1,236,689	2,072,715			275,327	289,818				
Other	—	—	—	—	—	—	—	—	—	—
Subtotal	1,516,033	2,249,753	7,605,110	8,069,710	540,441	542,518	624,424	555,563	1,061,793	852,901
Other revenue	51,828	266,377	—	4,800	932,016	648,157	—	—	1,118,251	871,036
Total revenue	1,567,861	2,516,130	7,605,110	8,074,510	1,472,457	1,190,675	624,424	555,563	2,180,044	1,723,937
<b>Expenses</b>										
Amortization			6,676	4,709						
Debt servicing									15,717	10,414
Other	842,179	1,048,828	6,944,728	6,997,247	160,460	433,465	624,424	555,563	1,079,365	1,369,328
Salaries and benefits	771,276	886,843	649,750	751,143	731,793	683,480	—	—	1,651,346	1,148,278
Total expenses	1,613,455	1,935,671	7,601,154	7,753,099	892,253	1,116,945	624,424	555,563	2,746,428	2,528,020
Surplus (Deficit)	<u>\$( 45,594)</u>	<u>\$ 580,459</u>	<u>\$ 3,956</u>	<u>\$ 321,411</u>	<u>\$ 580,204</u>	<u>\$ 73,730</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$( 566,384)</u>	<u>\$( 804,083)</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2021**

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

	Recreation		Fire Department		Community Buildings		Special Projects		Education	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>										
Federal Government										
ISC	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FNIH			124,176	124,176	83,817	83,817	3,115,619	840,964	19,633,933	18,007,503
CMHC									314,625	58,500
ESDC										
Other	—	—	—	—	—	—	—	79,053	—	—
Subtotal	—	—	124,176	124,176	83,817	83,817	3,115,619	920,017	19,948,558	18,066,003
Other revenue	—	750,789	—	—	1,014,025	993,674	1,508,468	668,725	677,589	896,982
Total revenue	—	750,789	124,176	124,176	1,097,842	1,077,491	4,624,087	1,588,742	20,626,147	18,962,985
<b>Expenses</b>										
Amortization										
Other	58,299	1,095,002	232,806	173,367	1,201,712	1,144,659	2,080,864	1,614,540	1,748,209	1,623,120
Salaries and benefits	50,230	273,082	139,638	92,074	429,911	493,520	2,633,626	420,314	6,965,361	5,700,658
Total expenses	108,529	1,368,084	372,444	265,441	1,631,623	1,638,179	4,714,490	2,034,854	21,180,755	18,858,810
Surplus (Deficit)	<u>\$(108,529)</u>	<u>\$(617,295)</u>	<u>\$(248,268)</u>	<u>\$(141,265)</u>	<u>\$(533,781)</u>	<u>\$(560,688)</u>	<u>\$(90,403)</u>	<u>\$(446,112)</u>	<u>\$(554,608)</u>	<u>\$(104,175)</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

### 21. SEGMENT DISCLOSURE (continued)

	Care Home		Health		Housing		Land Tax		Elimination		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues												
Federal Government												
ISC	\$ 4,446,008	\$ 4,291,591	\$ 665,092	\$ 497,367	\$ 834,340	\$ 919,425	\$	\$	\$	\$	\$ 49,702,335	\$ 42,575,620
FNIH			10,784,186	8,363,376							11,363,925	8,674,576
CMHC					646,980	729,935					646,980	729,935
ESDC											1,512,016	2,362,533
Other	—	—	506,980	4,331	—	—	—	—	—	—	506,980	83,384
Subtotal	4,446,008	4,291,591	11,956,258	8,865,074	1,481,320	1,649,360	—	—	—	—	63,732,236	54,426,048
Other revenue	353,899	361,558	2,657,592	2,112,239	1,209,965	1,193,244	658,683	621,006	(2,901,946)	(3,006,683)	29,338,318	20,237,349
Total revenue	4,799,907	4,653,149	14,613,850	10,977,313	2,691,285	2,842,604	658,683	621,006	(2,901,946)	(3,006,683)	93,070,554	74,663,397
Expenses												
Amortization	391,605	346,762	433,308	368,964	952,694	885,364					5,813,292	4,972,552
Debt servicing					147,156	156,934					1,380,975	1,698,657
Other	890,510	964,039	6,679,024	5,200,971	1,392,609	1,280,724	61,130	210,490	(2,901,946)	(3,006,683)	29,836,686	38,814,265
Salaries and benefits	3,538,664	3,097,079	5,935,213	4,269,981	990,854	847,247	79,670	81,764	—	—	33,852,857	27,901,490
Total expenses	4,820,779	4,407,880	13,047,545	9,839,916	3,483,313	3,170,269	140,800	292,254	(2,901,946)	(3,006,683)	70,883,810	73,386,964
Surplus (Deficit)	\$( 20,872)	\$ 245,269	\$ 1,566,305	\$ 1,137,397	\$( 792,028)	\$( 327,665)	\$ 517,883	\$ 328,752	—	—	\$ 22,186,744	\$ 1,276,433