

**MLCN Urban Services Inc.**  
**Financial Statements**  
*March 31, 2022*

# MLCN Urban Services Inc.

## Contents

*For the year ended March 31, 2022*

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	<b>Page</b>
<b>Management's Responsibility</b>	
<b>Independent Auditor's Report</b>	
<b>Financial Statements</b>	
Statement of Financial Position.....	1
Statement of Operations and Accumulated Surplus.....	2
Statement of Change in Net Financial Assets.....	3
Statement of Cash Flows.....	4
<b>Notes to the Financial Statements.....</b>	<b>5</b>

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## Management's Responsibility

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To the Members of MLCN Urban Services Inc.:

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

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

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the Board to audit the 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 Board and management to discuss their audit findings.

March 4, 2023

  
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Director

## Independent Auditor's Report

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To the Members of MLCN Urban Services Inc.:

### Opinion

We have audited the financial statements of MLCN Urban Services Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and the results of its 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 Financial Statements section of our report. We are independent of the Organization 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.

### Other Matter - Comparative Information

The financial statements for the year ended March 31, 2021 were reviewed with an unmodified review engagement report expressed on those statements dated on December 23, 2021. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

## Independent Auditor's Report *continued*

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### Auditor's Responsibilities 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 the Organization'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 Organization'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 the Organization 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.

Prince Albert, Saskatchewan

March 4, 2023

*MNP* LLP

Chartered Professional Accountants

**MLCN Urban Services Inc.**  
**Statement of Financial Position**

*As at March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Financial assets</b>		
Cash and cash equivalents	<b>89,089</b>	119,990
Accounts receivable	<b>3,022</b>	8,831
	<b>92,111</b>	128,821
<b>Liabilities</b>		
Accounts payable and accruals	<b>12,000</b>	5,156
Deferred revenue <i>(Note 3)</i>	<b>2,342</b>	63,365
	<b>14,342</b>	68,521
<b>Net financial assets</b>	<b>77,769</b>	60,300
<b>Non-financial assets</b>		
Prepaid expenses	-	1,361
<b>Accumulated surplus</b>	<b>77,769</b>	61,661

Approved on behalf of the Board



Board Member

  
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Board Member

**MLCN Urban Services Inc.**  
**Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Grants - MLCN	478,345	393,601
Provincial government funding	28,115	-
Miscellaneous	13,790	12,238
	<b>520,250</b>	<b>405,839</b>
<b>Expenses</b>		
Membership assistance	306,920	145,763
Board travel, training and honouraria	63,446	77,660
Contract services	46,200	39,015
Professional fees	19,219	10,125
Rent	18,634	18,388
Salaries and benefits	13,875	6,383
Travel	11,119	10,586
Repairs and maintenance	6,898	4,376
Telephone	4,912	2,217
Professional development	4,072	-
Administration	3,717	5,724
Office supplies and expenses	2,501	21,840
Insurance	2,188	1,283
Bank charges and interest	441	340
	<b>504,142</b>	<b>343,700</b>
<b>Surplus</b>	<b>16,108</b>	<b>62,139</b>
<b>Accumulated surplus (deficit), beginning of year</b>	<b>61,661</b>	<b>(478)</b>
<b>Accumulated surplus, end of year</b>	<b>77,769</b>	<b>61,661</b>

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

**MLCN Urban Services Inc.**  
**Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Surplus</b>	<b>16,108</b>	62,139
Acquisition of prepaid expenses	-	(1,361)
Use of prepaid expenses	<b>1,361</b>	7,670
<b>Increase in net financial assets</b>	<b>17,469</b>	68,448
<b>Net financial assets (net debt), beginning of year</b>	<b>60,300</b>	(8,148)
<b>Net financial assets, end of year</b>	<b>77,769</b>	60,300

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



**MLCN Urban Services Inc.**  
**Statement of Cash Flows**  
*For the year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus	<b>16,108</b>	62,139
Changes in working capital accounts		
Accounts receivable	<b>5,809</b>	(8,829)
Prepaid expenses	<b>1,361</b>	6,309
Accounts payable and accruals	<b>6,844</b>	4,506
Deferred revenue	<b>(61,023)</b>	35,365
	<b>(30,901)</b>	99,490
<b>Increase (decrease) in cash resources</b>	<b>(30,901)</b>	99,490
<b>Cash resources, beginning of year</b>	<b>119,990</b>	20,500
<b>Cash resources, end of year</b>	<b>89,089</b>	119,990

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

**1. Operating status**

The MLCN Urban Services Inc. (the "Organization") is incorporated under the Non-profit Corporation Act of Saskatchewan ("the Act") on September 15, 2019 and is under the governance of the Montreal Lake Cree Nation (the "Nation"). These financial statements include only the assets, liabilities, revenue and expenses of the Organization.

The purpose of the Organization is to provide assistance to members of the Montreal Lake Cree Nation living off-reserve, and this authority was transferred to the Organization by a Band Council Resolution of the Nation.

*Impact on operations of COVID-19 (coronavirus)*

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause an increase in government regulations, of which may negatively or positively impact the Organization's business and financial condition.

**2. Significant accounting policies**

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

***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.

***Measurement uncertainty (Use of estimates)***

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

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

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the period in which they become known.

***Cash and cash equivalents***

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

***Revenue recognition***

**Non-government Funding**

Revenue 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.

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

**Revenue recognition** (Continued from previous page)

**Government Transfers**

The Organization 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 Organization recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

3. **Deferred revenue**

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>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Grants - MLCN - Covid relief	27,000	298,999	323,657	2,342
Grants - MLCN - Service Coordination Agreement	8,250	99,000	107,250	-
Provincial government - Ministry of Government Relations	28,115	-	28,115	-
	63,365	397,999	459,022	2,342

4. **Economic dependence**

MLCN Urban Services Inc. receives substantially all of its revenue from Montreal Lake Cree Nation (the "Nation"). The ability of the Organization to continue operations is dependent upon the Nation's continued financial support.

Included in revenue is 488,295 of amounts received from the Nation or entities controlled by the Nation.

5. **Program information**

	2022	2021
<b>MLCN - Jordan's Principle Service Coordination Agreement</b>		
Contract services	39,951	-
Cultural and social programs	15,900	-
Office rent	15,835	-
Salaries and benefits	11,750	-
Board meetings	8,245	-
Office supplies	3,446	-
Professional development	3,400	-
Travel	1,765	-
Other	6,958	-
	107,250	-
<b>First Nation Community Partnership Projects Grant Agreement</b>		
Cultural and social programs	16,800	-
Membership assistance - other	7,995	-
Membership and dues	2,970	-
Travel	350	-
	28,115	-