

SANDY LAKE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2019

SANDY LAKE FIRST NATION

INDEX

MARCH 31, 2019

PAGE

HEALTH CANADA SERVICES

STATEMENT OF REVENUE AND EXPENDITURE	
HEALTH CANADA SUMMARY	45
HEALTH CENTRES	46
CANADA PRENATAL NUTRITION PROGRAM	46
SUICIDE PREVENTION	47
DRINKING WATER SAFETY PROGRAM	47
CAPITAL INVESTMENT	47
BRIGHTER FUTURES	48
BUILDING HEALTHY COMMUNITIES - MENTAL HEALTH CRISIS MANAGEMENT	48
CHILDREN AND YOUTH PROGRAM CLUSTER	49
JORDAN'S PRINCIPLE	49
NATIONAL NATIVE ALCOHOL AND DRUG ABUSE PROGRAM	50
ABORIGINAL DIABETES INITIATIVE	51
DENTAL CARE ASSISTANTS	51
COMMUNITY HEALTH REPRESENTATIVES	52
HEALTH PLANNING MANAGEMENT	53
HOME AND COMMUNITY CARE SERVICE DELIVERY	54
CHOOSE LIFE	54
MHC TRADITIONAL HEALER	55
COMMUNITY FACILITIES SECURITY	55
MEDICAL TRANSPORTATION	55
COMMUNITY FACILITIES - OPERATIONS & MAINTENANCE	56
VISION CARE - EYE EXAMINATIONS	56

OTHER PROGRAMS

SANDY LAKE MULTIPLEX DESIGN	57
ONTARIO MINISTRY OF INDIGENOUS RELATIONS AND RECONCILIATION	57
ONTARIO MINISTRY OF CHILDREN AND YOUTH	58
ONTARIO NEW RELATIONSHIP FUND	58
ONTARIO MINISTRY OF NORTHERN DEVELOPMENT AND MINES	59
ONTARIO MINISTRY OF THE ATTORNEY GENERAL	59
ONTARIO MINISTRY OF THE ATTORNEY GENERAL - IVP	60

SANDY LAKE FIRST NATION

MANAGEMENT'S REPORT

MARCH 31, 2019

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Sandy Lake First Nation are the responsibility of management and have been approved by the 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 Canadian Institute of Chartered Accountants 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.


The 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.

The 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 auditor's report.

The external auditors, Heartland Chartered Professional Accountants LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Sandy Lake First Nation and meet when required.


On behalf of Sandy Lake First Nation:

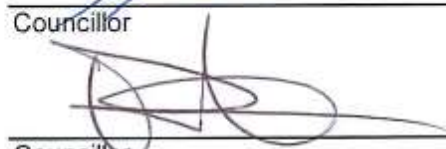

Chief


Councillor


Councillor


Councillor


Councillor


Councillor

INDEPENDENT AUDITOR'S REPORT

To the Members of Sandy Lake First Nation:

Opinion

We have audited the consolidated financial statements of Sandy Lake First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sandy Lake First Nation as at March 31, 2019 and the results of its consolidated operations 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 the First 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 those 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 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 First Nation's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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

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.

Independent Auditor's Report (*continued*)

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 Company'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 Company'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 Company 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.

Winnipeg, Manitoba
March 12, 2020



CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

SANDY LAKE FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 5,190,968	3,568,946
Accounts receivable (Note 3)	3,775,760	2,564,567
Trust funds held by the federal government (Note 5)	53,795	46,988
Inventories for resale	684,831	250,000
	<u>9,705,354</u>	<u>6,430,501</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	6,897,113	4,996,579
Temporary borrowings (Note 6)	691,311	1,067,680
Incomplete projects (Note 10)	3,153,270	2,586,873
Long-term debt (Note 11)	9,857,624	10,233,263
	<u>20,599,318</u>	<u>18,884,395</u>
NET DEBT	\$ <u>10,893,964</u>	<u>12,453,894</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	52,600,676	43,486,505
Construction in progress (Note 4)	187,412	252,444
Investments (Note 7)	1,308,329	1,308,329
Inventories held for use	113,372	192,179
Prepaid expenses	-	114,759
	<u>\$ 54,209,789</u>	<u>45,354,216</u>
ACCUMULATED SURPLUS	\$ <u>43,315,825</u>	<u>32,900,322</u>

APPROVED ON BEHALF OF THE FIRST NATION:

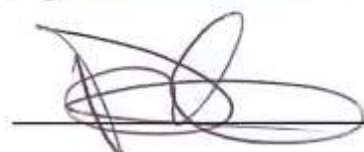
 CHIEF

 COUNCILLOR

 COUNCILLOR

 COUNCILLOR

 COUNCILLOR

 COUNCILLOR

SANDY LAKE FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
REVENUE		
ISC (page 15)	\$ 24,670,481	23,975,126
Province of Ontario	9,945,702	9,629,870
Health Canada (page 45)	18,493,511	7,816,790
Business enterprises - net	383,613	334,287
CMHC	316,235	418,292
Other	8,460,864	9,354,089
Net transfer (to) from incomplete projects	<u>(566,397)</u>	<u>(378,068)</u>
	<u>61,704,009</u>	<u>51,150,386</u>
EXPENSES		
Community development	11,384,845	8,006,531
Economic development	25,071	377,882
Education	14,219,376	12,671,104
Governance	65,000	15,000
Government support	2,618,144	2,557,894
Social development	11,224,299	10,676,098
Health	8,803,558	6,120,654
Amortization	<u>2,948,213</u>	<u>2,538,850</u>
	<u>51,288,506</u>	<u>42,964,013</u>
ANNUAL SURPLUS	10,415,503	8,186,373
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	<u>32,900,322</u>	<u>24,713,949</u>
ACCUMULATED SURPLUS AT END OF YEAR	<u>\$ 43,315,825</u>	<u>32,900,322</u>

SANDY LAKE FIRST NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
ANNUAL SURPLUS	\$ 10,415,503	8,186,373
Acquisition of tangible capital assets	(12,062,384)	(12,727,190)
Amortization of tangible capital assets	2,948,213	2,538,850
	<u>(9,114,171)</u>	<u>(10,188,340)</u>
Net increase in construction in progress	65,032	797,653
Acquisition of investments	-	(350,000)
Net decrease in inventories held for use	78,807	62,006
Net decrease (increase) in prepaid expenses	<u>114,759</u>	<u>(114,759)</u>
	<u>258,598</u>	<u>394,900</u>
CHANGE IN NET DEBT	1,559,930	(1,607,067)
NET DEBT AT BEGINNING OF YEAR	<u>12,453,894</u>	<u>10,846,827</u>
NET DEBT AT END OF YEAR	\$ <u><u>10,893,964</u></u>	<u><u>12,453,894</u></u>

SANDY LAKE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 10,415,503	8,186,373
Item not affecting cash:		
Amortization	<u>2,948,213</u>	<u>2,538,850</u>
	13,363,716	10,725,223
Change in non-cash charges to operations		
Accounts receivable	(1,211,193)	429,756
Trust funds held by the federal government	(6,807)	(6,565)
Inventories for resale	(434,831)	(250,000)
Inventories held for use	78,807	62,006
Prepaid expenses	114,759	(114,759)
Accounts payable and accrued liabilities	1,900,534	2,404,780
Incomplete projects	<u>566,397</u>	<u>378,070</u>
Cash provided by (applied to) operating transactions	<u>14,371,382</u>	<u>13,628,511</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(12,062,384)	(12,727,190)
Construction in progress	<u>65,032</u>	<u>797,653</u>
Cash provided by (applied to) capital transactions	<u>(11,997,352)</u>	<u>(11,929,537)</u>
INVESTING TRANSACTIONS		
Acquisition of investments	<u>-</u>	<u>(350,000)</u>
FINANCING ACTIVITIES		
Temporary borrowing	(376,369)	264,515
Debt issues	628,195	1,041,550
Debt retirement	<u>(1,003,834)</u>	<u>(934,947)</u>
Cash provided by (applied to) financing transactions	<u>(752,008)</u>	<u>371,118</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,622,022	1,720,092
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,568,946</u>	<u>1,848,854</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 5,190,968</u></u>	<u><u>3,568,946</u></u>

SANDY LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

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.

b) Reporting entity

The Sandy Lake First Nation reporting entity includes the Sandy Lake First Nation government and all related entities that are controlled by the First Nation.

c) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Sandy Lake First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Sandy Lake First Nation.

Organizations accounted for on an modified equity basis:

- Sandy Lake Community Development Services Inc. ("SLCDSI")
- 1944299 Ontario Inc.

d) Cash and cash equivalents

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

e) Portfolio investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

f) Tangible capital assets

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

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

SANDY LAKE FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Tangible capital assets (continued)

Amortization is provided at the following rates and methods:

Buildings - CMHC	Amount of principal repayment of mortgage
Buildings - other	5% straight line
Infrastructure	5% straight line
Equipment	20% straight line
Vehicles	30% straight line

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

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

g) Revenue recognition

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

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

h) Measurement uncertainty

In preparing the consolidated financial statements for Sandy Lake First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include the allowance for doubtful accounts and the estimated life of tangible capital assets. Actual results could differ from these estimates.

SANDY LAKE FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

2) CASH AND CASH EQUIVALENTS

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Sandy Lake First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the fund are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund. Cash and cash equivalents is comprised of the following:

	<u>2019</u>	<u>2018</u>
Externally restricted		
Replacement Reserve Fund	\$ -	-
Internally restricted		
Incomplete projects	3,153,270	2,586,873
Unrestricted	2,037,698	982,073
Total cash and cash equivalents	\$ <u><u>5,190,968</u></u>	<u><u>3,568,946</u></u>

3) ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Trade receivables	\$ 869,576	1,069,139
Due from government and other government organizations		
Federal government		
Indigenous and Northern Affairs Canada	2,469,018	892,175
Canada Mortgage and Housing Corporation	135,903	260,203
Provincial government	301,263	343,050
Total Accounts Receivable	\$ <u><u>3,775,760</u></u>	<u><u>2,564,567</u></u>

4) CONSTRUCTION IN PROGRESS

	<u>2019</u>	<u>2018</u>
Housing materials purchased for band housing to be completed in the subsequent fiscal year	\$ <u><u>187,412</u></u>	<u><u>252,444</u></u>

SANDY LAKE FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

5) TRUST FUNDS HELD BY THE FEDERAL GOVERNMENT

	March 31, 2018	Additions 2019	Withdrawals 2019	March 31, 2019
Revenue	\$ 42,674	6,807	-	49,481
Capital	4,314	-	-	4,314
	<u>\$ 46,988</u>	<u>6,807</u>	<u>-</u>	<u>53,795</u>

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

6) TEMPORARY BORROWINGS

The First Nation has a series of revolving and non-revolving demand and term facilities and lease lines of credit available to address operating requirements and to bridge capital expenditures.

Interest on the above credit facilities bear interest at a floating interest at the bank's prime lending rate plus 1.85%. The credit facilities are secured by a general security agreement over all the assets of the First Nation, assignment of Casino Rama funds and assignment of certain ISC minor capital funds.

As at March 31, 2019, the amount drawn under the revolving demand facilities was \$250,000 (2018 - \$205,000) and the amount drawn under the non-revolving term facilities (see Note 11) was \$5,838,690 (2018 - \$5,919,796).

SANDY LAKE FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

7) INVESTMENTS - at cost

The First Nation has an investment in Sandy Lake Tank Farm Inc. and is recorded at a carrying value of \$719,329. Recent summary financial information is not available for this entity.

The First Nation has an investment in Wasaya Partnership and Wasaya Group Inc. and is recorded at a carrying value of \$239,000. Recent summary financial information is not available for these entities.

During the prior year, the First Nation acquired an investment in Northway Camp Lodge. The investment is recorded at a carrying value of \$350,000. Recent summary financial information is not available for this entity.

8) TANGIBLE CAPITAL ASSETS

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Buildings - CMHC	\$ 8,282,667	2,251,717	8,282,667	2,024,507
Buildings - other	53,480,385	12,632,524	41,938,751	11,120,019
Infrastructure	13,623,580	8,796,741	13,623,580	8,115,563
Equipment	983,053	684,283	579,857	560,824
Vehicles	4,294,346	3,698,090	4,176,792	3,294,229
	<u>\$ 80,664,031</u>	<u>28,063,355</u>	<u>68,601,647</u>	<u>25,115,142</u>
Net book value		\$ 52,600,676		43,486,505

SANDY LAKE FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

9) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2019</u>	<u>2018</u>
Trade payables	\$ 6,508,393	4,795,803
Due to government and other government organizations		
Federal government	302,907	200,776
Provincial government	85,813	-
	<u><u>\$ 6,897,113</u></u>	<u><u>4,996,579</u></u>

10) INCOMPLETE PROJECTS

	<u>Balance March 31, 2018</u>	<u>Funding Received 2019</u>	<u>Revenue Recognized 2019</u>	<u>Balance March 31, 2019</u>
<u>Federal Government</u>				
Capital projects	\$ 2,164,134	1,160,940	(566,113)	2,758,961
Other	144,100	163,779	(65,000)	242,879
	<u>2,308,234</u>	<u>1,324,719</u>	<u>(631,113)</u>	<u>3,001,840</u>
<u>Provincial Government</u>				
Capital projects	2,187	-	(2,187)	-
Other	253,952	153,057	(255,579)	151,430
	<u>256,139</u>	<u>153,057</u>	<u>(257,766)</u>	<u>151,430</u>
<u>Other</u>				
Restricted contributions	22,500	-	(22,500)	-
	<u>22,500</u>	<u>-</u>	<u>(22,500)</u>	<u>-</u>
	<u><u>\$ 2,586,873</u></u>	<u><u>1,477,776</u></u>	<u><u>(911,379)</u></u>	<u><u>3,153,270</u></u>

SANDY LAKE FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

11) LONG-TERM DEBT

	2019	2018
CMHC mortgage loan #191-508-38-001, bearing interest at 1.08%, repayable in blended monthly instalments of \$3,566, maturing May 1, 2025 with a renewal date of August 1, 2020	\$ 255,244	295,060
CMHC mortgage loan #191-508-38-002, bearing interest at 1.92%, repayable in blended monthly instalments of \$3,915, maturing April 1, 2034 with a renewal date of May 1, 2019	615,108	649,958
CMHC mortgage loan #191-508-38-003, bearing interest at 1.85%, repayable in blended monthly instalments of \$5,842, maturing June 1, 2034 with a renewal date of August 1, 2019	931,259	983,666
CMHC mortgage loan #191-508-38-004, bearing interest at 1.30%, repayable in blended monthly instalments of \$7,332, maturing June 1, 2037 with a renewal date of June 1, 2022	1,429,231	1,498,201
CMHC mortgage loan #191-508-38-005, bearing interest at 1.30%, repayable in blended monthly instalments of \$3,467, maturing December 1, 2040 with a renewal date of December 1, 2020	788,092	819,259
RBC Royal Bank non-revolving term loan, interest at 4.95%, repayable in monthly blended payments of \$19,050, maturing March 27, 2022	1,182,631	1,350,000
RBC Royal Bank non-revolving term loan, interest at 4.01%, repayable in monthly blended payments of \$14,239, maturing March 20, 2021	1,279,420	1,396,401
RBC Royal Bank non-revolving term loan, interest at 5.95%, repayable in monthly blended payments of \$1,334, maturing March 29, 2020	260,000	-
RBC Royal Bank non-revolving term loan, interest at 4.879%, repayable in monthly blended payments of \$8,604, maturing March 12, 2023	374,498	457,269
RBC Royal Bank non-revolving term loan, interest at 4.55%, repayable in monthly blended payments of \$36,356, maturing April 20, 2020	2,314,751	2,637,611
RBC Royal Bank non-revolving term loan, interest at 4.54%, repayable in monthly blended payments of \$10,960, maturing March 28, 2022	368,195	-
RBC Royal Bank non-revolving term loan, interest at 4.21%, repayable in monthly blended payments of \$1,852, maturing January 17, 2022	59,195	78,515
Caterpillar Financial Services Ltd. capital lease contract, repaid during the year	-	35,932
Caterpillar Financial Services Ltd. capital lease contract, repaid during the year	-	31,391
	\$ 9,857,624	10,233,263

SANDY LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

11) LONG-TERM DEBT (continued)

Anticipated annual principal payments over the next five years are as follows:

March 31, 2020	\$ 2,794,562
March 31, 2021	4,584,173
March 31, 2022	1,161,308
March 31, 2023	1,317,581

12) EXPENSES BY OBJECT

The following is a summary of expenses by object:

	<u>2019</u>	<u>2018</u>
Salaries, wages and benefits	\$ 20,887,474	17,767,700
Staff development	397,898	576,696
Supplies and services	20,881,402	15,737,113
Interest	339,991	303,368
Professional services	1,590,584	907,917
Rental expenditures	233,585	245,015
Fees and contract services	4,009,359	4,887,354
Amortization	<u>2,948,213</u>	<u>2,538,850</u>
	<u>\$ 51,288,506</u>	<u>42,964,013</u>

13) CONTINGENT LIABILITY

Subsequent to year end, Sandy Lake First Nation was named as a defendant in a legal action in which damages have been sought. The outcome of this action is not determinable as at the date of reporting and accordingly, no provision has been made in these consolidated financial statements for any liability that may result. The settlement, if any, will be recorded in the financial statements in the year in which the amount is determinable.

14) COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's method of presentation. Comparative figures are provided where it is practicable to do so.

**SANDY LAKE FIRST NATION
SCHEDULE OF ISC FUNDING**

FOR THE YEAR ENDED MARCH 31, 2019

(Unaudited)

	PAGE	ISC	REVENUE TRANSFER			TOTAL	EXPENDITURE	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE
			FROM INCOMPLETE	OTHER	TO INCOMPLETE			
Band support	16	\$ 1,268,237	-	1,084,993	-	2,353,230	2,284,501	68,729
Governance	17	125,000	35,000	-	(95,000)	65,000	65,000	-
Band employee benefits-admin	19	95,000	-	-	-	95,000	159,410	(64,410)
Education	20	10,400,924	-	684,736	-	11,085,660	10,463,447	622,213
Social services	29	924,751	-	9,000,333	14,319	9,939,403	10,049,093	(109,690)
Social assistance for employment and training	34	439,760	-	-	-	439,760	439,760	-
Summer work experience	35	35,530	-	-	-	35,530	35,530	-
Capital	35A	5,067,458	2,027,733	1,356,391	(2,123,648)	6,327,934	6,285,922	42,012
LEDSP	39D	-	-	-	-	-	3,071	(3,071)
Prevention / Least Disruptive Measures Operations and Maintenance -	39D	726,460	-	-	(404,878)	321,582	60,478	261,104
School	40	3,196,268	-	51,050	-	3,247,318	3,345,685	(98,367)
Fire prevention	41	172,173	-	-	-	172,173	202,553	(30,380)
Water and wastewater	42	1,487,236	-	(618,050)	-	869,186	754,485	114,701
Community buildings	43	195,446	-	800	-	196,246	303,724	(107,478)
Sandy Lake Community								
Development Services Inc.	44	536,238	-	2,246,999	-	2,783,237	2,583,814	199,423
Health Canada	45-56	-	-	18,687,751	-	18,687,751	15,440,184	3,247,567
Other programs		-	524,140	5,104,922	(544,063)	5,084,999	(1,188,151)	6,273,150
		\$ 24,670,481	2,586,873	37,599,925	(3,153,270)	61,704,009	51,288,506	10,415,503