

SANDY LAKE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021

SANDY LAKE FIRST NATION

MANAGEMENT'S REPORT

MARCH 31, 2021

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, 2021, 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, 2021 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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 30, 2023

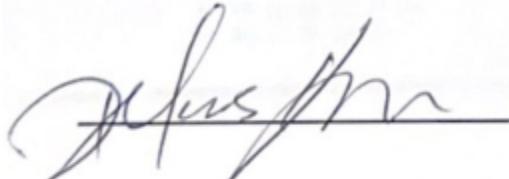
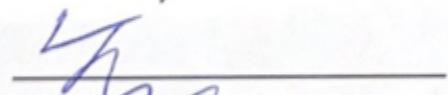
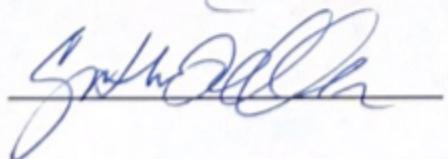


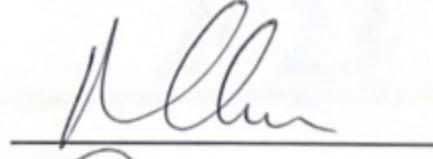
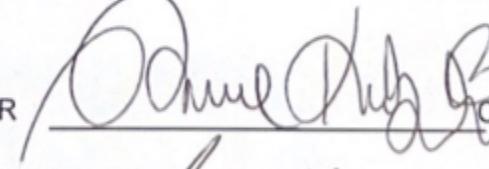
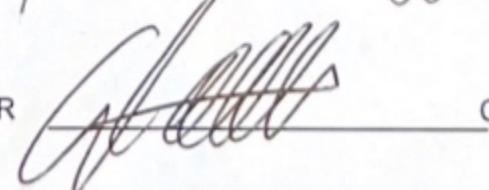
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

SANDY LAKE FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 18,456,480	12,889,037
Accounts receivable (Note 3)	3,007,074	2,561,148
Trust funds held by the federal government (Note 5)	63,714	60,567
Inventories for resale	<u>842,452</u>	<u>886,992</u>
	<u>22,369,720</u>	<u>16,397,744</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	9,150,078	5,794,590
Temporary borrowings (Note 6)	911,453	216,690
Incomplete projects (Note 10)	13,111,845	10,625,481
Long-term debt (Note 11)	<u>7,843,775</u>	<u>8,769,111</u>
	<u>31,017,151</u>	<u>25,405,872</u>
NET DEBT	\$ 8,647,431	9,008,128
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	76,322,406	65,835,718
Construction in progress (Note 4)	2,836,407	2,646,601
Investments (Note 7)	872,219	1,308,329
Inventories held for use	156,364	275,547
Prepaid expenses	<u>228,090</u>	<u>186,480</u>
	<u>\$ 80,415,486</u>	<u>70,252,675</u>
ACCUMULATED SURPLUS	\$ 71,768,055	61,244,547

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, 2021

	2021	2020
REVENUE		
ISC (page 15)	\$ 45,465,271	39,968,657
Health Canada (page 61)	<u>14,503,788</u>	<u>18,659,460</u>
	59,969,059	58,628,117
Province of Ontario	10,310,861	9,899,461
Business enterprises - net	548,222	706,178
CMHC	308,361	316,235
Other	13,309,924	11,911,360
Net transfer (to) from incomplete projects	<u>(2,486,364)</u>	<u>(7,472,211)</u>
	81,960,063	73,989,140
EXPENSES		
Community development	21,703,039	7,713,684
Education	18,208,462	18,003,398
Governance	-	15,000
Government support	2,348,612	2,520,097
Social development	11,735,062	11,766,356
Health	12,286,903	12,967,232
Amortization	4,718,367	3,074,651
Provision for impairment of investments (Note 7)	<u>436,110</u>	-
	71,436,555	56,060,418
ANNUAL SURPLUS	10,523,508	17,928,722
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	<u>61,244,547</u>	<u>43,315,825</u>
ACCUMULATED SURPLUS AT END OF YEAR	\$ 71,768,055	<u>61,244,547</u>

SANDY LAKE FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
ANNUAL SURPLUS	\$ 10,523,508	17,928,722
Acquisition of tangible capital assets	(15,205,055)	(16,609,693)
Amortization of tangible capital assets	4,718,367	3,074,651
Provision for impairment of investments	436,110	-
	<u>(10,050,578)</u>	<u>(13,535,042)</u>
Net (increase) decrease in construction in progress	(189,806)	(2,459,189)
Net (increase) decrease in inventories held for use	119,183	(162,175)
Net (increase) decrease in prepaid expenses	(41,610)	(186,480)
	<u>(112,233)</u>	<u>(2,807,844)</u>
CHANGE IN NET DEBT	360,697	1,585,836
NET DEBT AT BEGINNING OF YEAR	9,008,128	10,593,964
NET DEBT AT END OF YEAR	\$ 8,647,431	9,008,128

SANDY LAKE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
OPERATING TRANSACTIONS		
Annual surplus	\$ 10,523,508	17,928,722
Items not affecting cash:		
Amortization	4,718,367	3,074,651
Provision for impairment of investments	436,110	-
	<u>15,677,985</u>	<u>21,003,373</u>
Change in non-cash charges to operations		
Accounts receivable	(445,926)	1,214,612
Trust funds held by the federal government	(3,147)	(6,772)
Inventories for resale	44,540	(202,161)
Inventories held for use	119,183	(162,175)
Prepaid expenses	(41,610)	(186,480)
Accounts payable and accrued liabilities	3,355,488	(802,523)
Incomplete projects	2,486,364	7,472,211
	<u>21,192,877</u>	<u>28,330,085</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(15,205,055)	(16,609,693)
Construction in progress	(189,806)	(2,459,189)
	<u>(15,394,861)</u>	<u>(19,068,882)</u>
FINANCING ACTIVITIES		
Temporary borrowing	694,763	(474,621)
Debt issues	2,095,886	628,195
Debt retirement	(3,021,222)	(1,716,708)
	<u>(230,573)</u>	<u>(1,563,134)</u>
INCREASE IN CASH POSITION	5,567,443	7,698,069
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>12,889,037</u>	<u>5,190,968</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 18,456,480</u>	<u>12,889,037</u>

SANDY LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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, 2021

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, 2021

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 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:

	2021	2020
Externally restricted		
Replacement Reserve Fund	\$ -	-
Internally restricted		
Incomplete projects	13,111,845	10,625,481
Unrestricted	5,344,635	2,263,556
Total cash and cash equivalents	\$ 18,456,480	12,889,037

3) ACCOUNTS RECEIVABLE

	2021	2020
Trade receivables	\$ 964,427	777,673
Due from government and other government organizations		
Federal government		
Indigenous and Northern Affairs Canada	1,634,059	1,160,122
Health Canada	239,355	326,044
Canada Mortgage and Housing Corporation	25,394	135,903
Provincial government	143,839	161,406
Total Accounts Receivable	\$ 3,007,074	2,561,148

4) CONSTRUCTION IN PROGRESS

	2021	2020
Housing materials purchased for band housing to be completed in the subsequent fiscal year	\$ 410,743	409,024
Berens River project	3,021	3,021
Health Centre - 4 plex	2,422,643	2,234,556
Total Construction in Progress	\$ 2,836,407	2,646,601

SANDY LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

5) TRUST FUNDS HELD BY THE FEDERAL GOVERNMENT

	March 31, 2020	Additions 2021	Withdrawals 2021	March 31, 2021
Revenue	\$ 56,253	3,147	-	59,400
Capital	4,314	-	-	4,314
	<u>\$ 60,567</u>	<u>3,147</u>	<u>-</u>	<u>63,714</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, 2021, the amount drawn under the revolving demand facilities was \$Nil (2020 - \$Nil) and the amount drawn under the non-revolving term facilities (see Note 11) was \$4,032,651 (2020 - \$4,980,642).

SANDY LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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.

The First Nation holds 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.

During the current year, the First Nation recorded an provision for impairment of these investments in the amount of \$436,110.

8) TANGIBLE CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Buildings - CMHC	\$ 7,476,479	2,261,765	7,476,479	2,021,774
Buildings - other	67,067,031	17,866,123	61,897,583	14,785,935
Infrastructure	30,751,278	10,385,734	21,769,712	9,561,776
Equipment	983,053	931,201	983,053	807,742
Vehicles	<u>5,900,941</u>	<u>4,411,553</u>	<u>4,846,898</u>	<u>3,960,780</u>
	<u><u>\$ 112,178,782</u></u>	<u><u>35,856,376</u></u>	<u><u>96,973,725</u></u>	<u><u>31,138,007</u></u>
Net book value	<u><u>\$ 76,322,406</u></u>		<u><u>65,835,718</u></u>	

SANDY LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

9) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade payables	\$ 8,793,109	5,503,430
Due to government and other government organizations		
Federal government	356,969	291,160
	\$ 9,150,078	5,794,590

10) INCOMPLETE PROJECTS

	Balance March 31, 2020	Funding Received 2021	Revenue Recognized 2021	Balance March 31, 2021
<u>Federal Government</u>				
Capital projects	\$ 8,140,494	9,306,663	(12,216,447)	5,230,710
Other	<u>2,430,787</u>	<u>27,023,373</u>	<u>(21,708,880)</u>	<u>7,745,280</u>
	<u>10,571,281</u>	<u>36,330,036</u>	<u>(33,925,327)</u>	<u>12,975,990</u>
<u>Provincial Government</u>				
Capital projects	-	50,000	-	50,000
Other	<u>54,200</u>	<u>175,000</u>	<u>(175,000)</u>	<u>54,200</u>
	<u>54,200</u>	<u>225,000</u>	<u>(175,000)</u>	<u>104,200</u>
<u>Other</u>				
Restricted contributions	-	31,655	-	31,655
	<u>\$ 10,625,481</u>	<u>36,586,691</u>	<u>(34,100,327)</u>	<u>13,111,845</u>

SANDY LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

11) LONG-TERM DEBT

	2021	2020
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	\$ 174,045	215,002
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, 2020	541,629	579,611
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 May 1, 2020	820,388	877,914
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	1,288,582	1,359,402
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	723,833	756,540
RBC Royal Bank non-revolving term loan, interest at 4.95%, repayable in monthly blended payments of \$19,050, maturing March 27, 2022	826,352	1,008,845
RBC Royal Bank non-revolving term loan, interest at 4.59%, repayable in monthly blended payments of \$2,097, maturing March 29, 2023	245,811	-
RBC Royal Bank non-revolving term loan, repaid during the year	-	259,251
RBC Royal Bank non-revolving term loan, interest at 4.55%, repayable in monthly payments of \$32,818 plus interest, maturing April 20, 2021	1,587,428	-
RBC Royal Bank non-revolving term loan, repaid during the year	-	1,977,146
RBC Royal Bank non-revolving term loan, interest at 4.54%, repayable in monthly blended payments of \$10,960, maturing March 28, 2022	128,301	250,933
Subtotal	\$ 3,511,725	4,252,715

SANDY LAKE FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

11) LONG-TERM DEBT (continued)

	2021	2020
Subtotal from previous page	\$ 3,511,725	4,252,715
RBC Royal Bank non-revolving term loan, interest at 4.01%, repayable in monthly blended payments of \$14,239, maturing March 20, 2021	1,030,293	1,157,790
RBC Royal Bank non-revolving term loan, interest at 4.21%, repayable in monthly blended payments of \$1,852, maturing January 17, 2022	18,106	39,080
RBC Royal Bank non-revolving term loan, interest at 4.879%, repayable in monthly blended payments of \$8,604, maturing March 12, 2023	196,360	287,597
Bodkin Leasing Corporation capital lease contract, bearing interest at 14.66%, repayable in monthly lease payments of \$1,035, matures March 15, 2023, secured by a 1996 Champion Grader	21,417	-
Bodkin Leasing Corporation capital lease contract, bearing interest at 14.14%, repayable in monthly lease payments of \$5072, matures March 15, 2023, secured by a 1996 Kenworth Truck, 2007 GMC Truck and 2008 John Deere Excavator	105,487	-
Bodkin Leasing Corporation capital lease contract, bearing interest at 9.0%, repayable in monthly lease payments of \$2,477, matures March 15, 2024, secured by 2002 Sterling Dump Truck, 1987 Caterpillar Dozer and a 1990 Champion	77,243	-
Arundel Capital Corporation capital lease contract, bearing interest at 19.31%, repayable in monthly lease payments of \$1,932, matures September 1, 2024, secured by a 2014 John Deere Backhoe Loader	58,500	-
	\$ 5,019,131	5,737,182

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

March 31, 2022	\$ 5,631,985
March 31, 2023	933,007
March 31, 2024	1,483,126
March 31, 2025	47,338
March 31, 2026	10,966

SANDY LAKE FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

12) EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2021	2020
Salaries, wages and benefits	\$ 27,255,252	20,887,474
Staff development	546,485	397,898
Supplies and services	23,974,427	25,526,876
Interest	240,919	339,991
Professional services	1,969,252	1,590,584
Rental expenditures	677,742	233,585
Fees and contract services	11,618,001	4,009,359
Amortization	4,718,367	3,074,651
Provision for impairment of investments	<u>436,110</u>	-
	<u>\$ 71,436,555</u>	<u>56,060,418</u>

13) CONTINGENT LIABILITY

Sandy Lake First Nation has been 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) RECONCILIATION OF ISC AND HEALTH CANADA FUNDING

	ISC	Health Canada	Total
Balance of funding as per confirmation	\$ 45,465,271	14,885,479	60,350,750
Revenue as per Statement of Operations	<u>45,465,271</u>	<u>14,503,788</u>	<u>59,969,059</u>
	<u>\$ -</u>	<u>381,691</u>	<u>381,691</u>

The difference relates to a Payable at Year End (PAYE) balance of \$381,691 for Health Canada funding code Q2FQ-003 - JP-ALLIED HEALTH. This receivable was not received subsequent to year end, and it has not been recorded as revenue in these consolidated financial statements.

15) 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, 2021

(Unaudited)

	PAGE	REVENUE TRANSFER					EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	
		ISC	OTHER	FROM INCOMPLETE		TO INCOMPLETE	TOTAL	EXPENDITURE
				FROM INCOMPLETE	TO INCOMPLETE			
Band support	16	\$ 1,066,639	1,529,251	-	-	-	2,595,890	2,348,612
Governance	17	75,000	-	80,000	(155,000)	-	-	-
Band employee benefits-admin	19	-	-	-	-	-	-	114,906
Berens River Access Road	19	1,624,320	-	10,000	(733,107)	901,213	838,171	(114,906)
COVID-19								63,042
Response	20	2,520,512	102,258	-	(452,203)	2,170,567	2,170,567	-
Emergency Response Fund	20	-	119,570	-	-	119,570	119,272	298
Emerg Surge and Cap Funding	21	-	61,620	-	-	61,620	61,615	5
Proposed Funding	21	1,294,729	516,490	-	(899,299)	911,920	911,920	-
Fire Hall construction	22	-	-	833,514	-	833,514	1,214,517	(381,003)
LEDSP	22	32,419	-	-	-	32,419	-	32,419
FN Sch Targeted House	22	58,845	-	-	-	58,845	-	58,845
Small Business	22	158,802	-	-	(72,802)	86,000	86,000	-
Prevention / Least Disrupt. Measures	23	452,253	-	-	(241,189)	211,064	211,064	-
Community Based Prevention	23	512,630	-	318,392	(686,973)	144,049	144,049	-
Community Well Being	24	708,126	-	476,910	(1,185,036)	-	-	-
Child and Family Services	24	-	-	-	-	-	-	-
Education	25	19,043,852	1,509,138	1,067,970	(3,388,121)	18,232,839	18,235,009	(2,170)
Social services	38	2,604,116	8,768,366	-	-	11,372,482	11,479,807	(107,325)
Social assistance for employment								
and training	43	574,080	-	-	-	574,080	574,080	-
Summer work experience	44	49,030	-	-	-	49,030	57,566	(8,536)
Skills Link	44	19,996	-	-	-	19,996	19,996	-
Capital	45	9,667,714	427,594	7,225,019	(4,444,119)	12,876,208	13,267,239	(391,031)
Operations and Maintenance	55	4,281,127	438,268	-	-	4,719,395	4,005,832	713,563
Sandy Lake Community								
Development Services Inc.	60	558,281	3,171,073	-	-	3,729,354	2,761,336	968,018
Aboriginal Headstart on Reserve	63	162,800	-	-	-	162,800	162,800	-
Health Canada	61	-	14,503,788	-	(92,241)	14,527,745	14,299,005	228,740
116,198								
Other programs		-	7,717,542	613,676	(761,755)	7,569,463	(1,646,808)	9,216,271
		\$ 45,465,271	38,981,156	10,625,481	(13,111,845)	81,960,063	71,436,555	10,523,508