

Swan Lake First Nation

Consolidated Financial Statements
For the year ended March 31, 2021

Swan Lake First Nation

Consolidated Financial Statements For the year ended March 31, 2021

Contents

Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3
Consolidated Statement of Financial Position	5
Consolidated Statement of Net Debt	6
Consolidated Statement of Operations	7
Consolidated Statement of Cash Flows	8
Notes to Financial Statements	9

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Swan Lake First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief on behalf of the Chief and Council.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances in order to ensure that the consolidated financial statements are presented fairly in all material respects.

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

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

The Chief and Council reviews and approves the Organization's consolidated financial statements. The Chief and Council meet 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 annual report, the consolidated financial statements and the external auditor's report. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP have full and free access to the Chief and Council.

Chief

A handwritten signature in black ink, appearing to read "J. ME. B.", is written over a horizontal line. The line is crossed through with a blue ink "X".

Independent Auditor's Report

To the Chief and Council of Swan Lake First Nation

Opinion

We have audited the accompanying consolidated financial statements of Swan Lake First Nation (the Organization), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, and its results of operations, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our 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 Matters

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules or exhibits on pages through of the Organization's consolidated financial statements.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants

Brandon, Manitoba
February 12, 2022

Swan Lake First Nation Consolidated Statement of Financial Position

March 31

2021

2020

Financial Assets

Cash and short term investments (Note 2)	\$ 10,316,941	\$ 9,131,688
Trust funds - I.S.C. (Note 3)	44	44
Accounts receivable (Note 4)	556,222	570,035
Replacement reserve assets (Note 12)	230,541	206,716
	<u>11,103,748</u>	<u>9,908,483</u>

Liabilities

Bank indebtedness (Note 6)	1,692	65,033
Accounts payable (Note 7)	472,465	1,483,548
Deferred revenue (Note 9)	3,992,037	847,192
Long-term debt (Note 8)	31,044,701	31,266,761
	<u>35,510,895</u>	<u>33,662,534</u>

Net Debt

(24,407,147) (23,754,051)

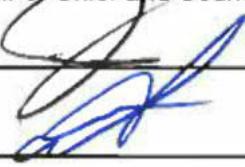
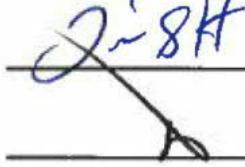
Non-Financial Assets

Tangible capital assets (Note 5)	48,292,995	46,509,990
Inventories	372,610	382,664
	<u>48,665,605</u>	<u>46,892,654</u>

Accumulated Surplus

\$ 24,258,458 \$ 23,138,603

On behalf of Chief and Council:

 <hr/> <hr/>	Chief  <hr/> <hr/>
 <hr/>	Councilor  <hr/>

Swan Lake First Nation Consolidated Statement of Net Debt

For the year ended March 31	2021	2020
Annual Surplus	\$ 1,119,855	\$ 1,654,440
Acquisition of tangible capital assets	- (4,392,406)	(8,418,858)
Amortization of tangible capital assets	- 2,609,401	2,124,500
	- (663,150)	(4,639,918)
Use of inventories	- 10,054	11,901
Decrease in net debt	- (653,096)	(4,628,017)
Net debt, beginning of year	- (23,754,051)	(19,126,034)
Net debt, end of year	\$ - \$ (24,407,147)	\$ (23,754,051)

Swan Lake First Nation Consolidated Statement of Operations

<u>For the year ended March 31</u>	<u>Budget</u>	<u>2021</u>	<u>2020</u>
Revenue			
I.S.C.	\$	- \$ 9,792,463	\$ 6,900,676
VLT revenues, net	-	654,424	2,845,162
Rental	-	3,519,351	2,381,011
Enbridge	-	144,338	430,206
Provincial funding	-	893,612	1,562,723
Four Corners	-	1,029,302	1,564,077
F.N.I.H.B.	-	3,608,086	2,974,459
Cigarettes and confectionary	-	420,495	521,295
Other revenue (Note 10)	-	<u>6,049,451</u>	<u>3,002,849</u>
	<u>-</u>	<u>26,111,522</u>	<u>22,182,458</u>
Expenditures			
Band support/administration	\$	- 6,759,919	4,729,174
Social	-	1,577,274	1,155,327
Education	-	3,002,717	2,706,877
Health	-	2,311,591	1,723,442
Housing	-	2,391,655	903,488
Operations and maintenance	-	3,369,617	2,208,967
Enterprises	-	<u>5,578,894</u>	<u>7,100,743</u>
	<u>-</u>	<u>24,991,667</u>	<u>20,528,018</u>
Annual Surplus		<u>- 1,119,855</u>	<u>1,654,440</u>
Accumulated surplus, beginning of year		<u>23,138,603</u>	<u>21,484,163</u>
Accumulated surplus, end of year	\$ 24,258,458	\$ 23,138,603	

Swan Lake First Nation Consolidated Statement of Cash Flows

<u>For the year ended March 31</u>	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Surplus for the year	\$ 1,119,855	\$ 1,654,440
Adjustments for		
Amortization of tangible capital assets	<u>2,609,401</u>	<u>2,124,500</u>
	<u>3,729,256</u>	<u>3,778,940</u>
Changes in non-cash working capital balances		
Accounts receivable	13,813	(184,626)
Inventories	9,938	11,901
Accounts payable	(1,011,083)	(84,107)
Deferred revenue	3,144,845	578,393
Replacement reserve	(23,825)	8,101
	<u>2,133,688</u>	<u>329,662</u>
	<u>5,862,944</u>	<u>4,108,602</u>
Cash Flows from Capital Activities		
Purchase of tangible capital assets	<u>(4,392,406)</u>	<u>(8,418,858)</u>
Cash Flows from Financing Activities		
Repayment of long-term debt	(3,758,386)	(1,352,941)
Proceeds of long-term debt	<u>3,536,442</u>	<u>9,234,659</u>
	<u>(221,944)</u>	<u>7,881,718</u>
Increase in cash and cash equivalents during the year	1,248,594	3,571,462
Cash and cash equivalents, beginning of year	9,066,655	5,495,193
Cash and cash equivalents, end of year	\$ 10,315,249	\$ 9,066,655
Represented by		
Cash and short-term investments	\$ 10,316,941	\$ 9,131,688
Bank indebtedness	<u>(1,692)</u>	<u>(65,033)</u>
	\$ 10,315,249	\$ 9,066,655

Swan Lake First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations	Swan Lake First Nation is a First Nation government that provides a wide range of services to the members of its community. By its nature, the entity is non-taxable. The entity is governed by a board of elected Chief and Council.		
Basis of Presentation	These consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards and include all organizations, operations and activities that are: 1) accountable for the administration of their financial affairs and resources directly to the First Nation; and 2) owned or controlled by the First Nation.		
Reporting Entity	These consolidated financial statements consolidate the operations of all band administered departments plus the following band controlled entities: - SLFN Enterprises (100%) - Swan Lake First Nation Housing Authority (100%) - Swan Lake First Nation Gaming Commission (100%) - Swan Lake First Nation Farm (100%) - 6226124 Manitoba Ltd. (100%) - SLFN Property Management Ltd. (100%)		
Tangible Capital Assets	Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The First Nation does not capitalize interest charges as part of the cost of its tangible capital assets.		
	Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the First Nation, forests, water, and other natural resources are not recognized as tangible capital assets.		
Amortization	Assets are amortized over their expected useful life at the following rates:		
	Water Treatment Plant	5%	Declining Balance
	Buildings	5%	Declining Balance
	Medical Vans	30%	Declining Balance
	Vehicles	20%	Declining Balance
	CMHC Housing	25 years	Straight Line
	Roads	33 years	Straight Line
	Potato Chip Plant	5 years	Straight Line
	VLT Lounge	4%	Declining Balance
	Equipment	20%	Declining Balance
	Wind Farm	5%	Declining Balance
	Water Lines	25 years	Straight Line

No amortization is recorded on the irrigation dam - non depreciable.

Swan Lake First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Revenue Recognition	Revenues are recognized in the period in which the transactions or when services are provided and collectability is reasonably assured. Rental revenue is recognized when the rental space has been used and collectability is reasonably assured. VLT revenue is recognized daily on a net basis once Swan Lake First Nation has calculated the percentage payout remitted to Liquor and Gaming Authority of Manitoba. Confectionary revenue is recognized at the time of sale. Four Corners gas revenue is recognized once the service has been provided and collectability is reasonably assured.
	Government transfers are the transfer of assets that are recognized and released by the payor government and are not representative of the full benefit of the recipient government's treaty entitlements. Government transfers are not the result of an exchange transaction, are not expected to be repaid in the future or are the result of a direct financial return.
	Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that the 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.
Due from/to Related Parties	The Swan Lake First Nation Farm has a year end of November 30. The amount Due from / to Related Parties represents the transactions for the farm that have flowed through the band since November 30. As transactions for the farm are minimal during the period December 1 - March 31, the preceding treatment is deemed appropriate.
Use of Estimates	The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates by management have been made in the following areas: - The useful life of capital assets
Trust Funds	Trust funds represent the Indian Monies Trust funds held by the Federal Government. These funds are administered by the Federal Government.

Swan Lake First Nation Notes to Consolidated Financial Statements

March 31, 2021

2. Cash and Short-term Investments

	2021	2020
Swan Lake First Nation	\$ 738,143	\$ 715,827
Swan Lake First Nation - Social	47,801	61,307
Swan Lake First Nation Housing Authority	2,074,722	603,071
Gaming Commission	59	205
Swan Lake First Nation Farm	13,368	13,836
SLFN Enterprises	5,235,035	4,828,142
SLFN Enterprises - ATM/VLT cash on hand	77,521	75,064
SLFN Enterprises - term deposits (detailed below)	2,110,711	2,616,774
Four Corners Gas Bar	688	135,228
SLFN Instaloans	<u>17,202</u>	<u>17,202</u>
 Cash and short-term investments	 <u>\$ 10,315,249</u>	 <u>\$ 9,066,655</u>
 Represented by:		
Cash and short-term investments	\$ 10,316,941	\$ 9,131,688
Bank indebtedness	<u>(1,692)</u>	<u>(65,033)</u>
 <u>\$ 10,315,249</u>	 <u>\$ 9,066,655</u>	

SLFN Enterprises - Term Deposits

The carrying amounts of term deposits are comprised of the following:

	2021	2020
TD 3-month term deposit, earns interest at 0.54%, maturing on April 6, 2021.	\$ 507,330	\$ 1,078,937
TD 1-year term deposit, matured in the year.	-	517,456
TD 3-month term deposit, earnings interest at 0.20%, maturing on June 03, 2021.	1,083,112	504,185
Westoba Credit Union 3-month guaranteed investment certificate, earns interest at 0.60%, maturing on April 19, 2021.	520,270	516,196
 <u>\$ 2,110,712</u>	 <u>\$ 2,616,774</u>	

Swan Lake First Nation Notes to Consolidated Financial Statements

March 31, 2021

3. Trust Funds Held by Federal Government

Trust fund accounts 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.

	Opening Balance	Additions	Withdrawals	2021 Total	2020 Total
Revenue Capital	\$ 3 41	- \$ -	- \$ -	\$ 3 41	\$ 3 41
Fund Total	\$ 44	\$	- \$	\$ 44	\$ 44

4. Accounts Receivable

	2021	2020
SLFN Enterprises	\$ 30,886	\$ 65,632
Indigenous Services Canada	101,652	175,703
Receiver General	46,862	39,067
First Peoples Development Corp.	26,179	168,663
Band member advances	(140)	-
CEDO loans	90,749	77,117
Occupant receivables	39,788	43,385
Other	279,462	56,276
Trust	19,898	19,898
Allowance for doubtful accounts	<u>(79,114)</u>	<u>(75,706)</u>
	\$ 556,222	\$ 570,035

Swan Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2021

5. Tangible Capital Assets

2021

	Cost, beginning of year	Additions	Cost, end of year	Accumulated amortization, beginning of year	Amortization	Accumulated amortization, end of year	Net carrying amount, end of year
Water treatment plant	4,137,862	-	4,137,862	1,830,294	125,993	1,956,287	2,181,575
Buildings	47,025,315	3,263,343	50,288,658	9,429,236	1,834,372	11,263,608	39,025,050
Irrigation dam	286,783	-	286,783	-	-	-	286,783
Medical vans	405,832	-	405,832	354,619	15,364	369,983	35,849
Vehicles	931,921	193,613	1,125,534	766,030	52,539	818,569	306,965
CMHC housing	7,533,420	673,775	8,207,195	3,098,195	301,336	3,399,531	4,807,664
Roads	853,154	-	853,154	574,564	21,329	595,893	257,261
Potato chip plant	2,383,634	-	2,383,634	2,383,634	-	2,383,634	-
VLT lounge	552,437	-	552,437	382,544	23,009	405,553	146,884
Equipment	6,097,270	261,675	6,358,945	5,275,932	195,573	5,471,505	887,440
Wind Farm	134,008	-	134,008	64,842	6,701	71,543	62,465
Water Lines	829,625	-	829,625	729,555	33,185	762,740	66,885
Land	228,174	-	228,174	-	-	-	228,174
Total	71,399,435	4,392,406	75,791,841	24,889,445	2,609,401	27,498,846	48,292,995

2020

	Cost, beginning of year	Additions	Cost, end of year	Accumulated amortization, beginning of year	Amortization	Accumulated amortization, end of year	Net carrying amount, end of year
Water treatment plant	4,137,862	-	4,137,862	1,700,085	130,209	1,830,294	2,307,568
Buildings	39,715,926	7,309,388	47,025,314	8,147,848	1,281,389	9,429,236	37,596,078
Irrigation dam	286,783	-	286,783	-	-	-	286,783
Medical vans	405,832	-	405,832	332,670	21,949	354,619	51,213
Vehicles	796,587	135,334	931,921	640,886	125,144	766,030	165,891
CMHC housing	6,942,526	590,895	7,533,421	2,820,493	277,702	3,098,195	4,435,226
Roads	853,154	-	853,154	553,236	21,328	574,564	278,590
Potato chip plant	2,383,634	-	2,383,634	2,383,634	-	2,383,634	-
VLT lounge	552,437	-	552,437	359,536	23,008	382,544	169,893
Equipment	5,714,029	383,241	6,097,270	5,073,346	202,586	5,275,932	821,338
Wind Farm	134,008	-	134,008	58,142	6,700	64,842	69,166
Water Lines	829,625	-	829,625	696,370	33,185	729,555	100,070
Land	228,174	-	228,174	-	-	-	228,174
Total	62,980,577	8,418,858	71,399,435	22,766,246	2,123,200	24,889,445	46,509,990

Swan Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2021

6. Bank Indebtedness

The SLFN Enterprises Ltd. bank account carries an overdraft limit of \$250,000 (2020 - \$250,000) and has unused credit facility of \$250,000 (2020 - \$186,658), secured by a general security agreement. The Swan Lake First Nation regular bank and Social bank accounts do not carry an overdraft limit.

7. Accounts Payable

	2021	2020
Trade accounts payable	\$ 301,126	\$ 1,360,722
School division payables	24,423	24,423
Accrued liabilities	47,325	47,325
Employee future benefits	99,591	51,078
	\$ 472,465	\$ 1,483,548

8. Long-term Debt

	2021	2020
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,910 including interest at 1.30% secured by a ministerial guarantee, matures April 1, 2026.	\$ 113,250	\$ 134,792
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,484 including interest at 1.84% secured by a ministerial guarantee, matures July 1, 2027.	106,441	122,153
Canada Mortgage and Housing Authority mortgage repayable monthly at \$2,268 including interest at 2.52% secured by a ministerial guarantee, matures March 1, 2028.	174,547	197,089
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,691 including interest at 1.86% secured by a ministerial guarantee, matures January 1, 2029.	147,877	165,263
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,202 including interest at 1.86% secured by a ministerial guarantee, matures April 1, 2029.	108,278	120,586
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,540 including interest at 0.68% secured by a ministerial guarantee, matures March 1, 2030.	158,494	175,412
Canada Mortgage and Housing Authority mortgage repayable monthly at \$3,709 including interest at 1.84% secured by a ministerial guarantee, matures July 1, 2032.	455,110	490,935
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,204 including interest at 0.76% secured by a ministerial guarantee, matures December 1, 2030.	132,162	144,893
Canada Mortgage and Housing Authority mortgage repayable at \$1,349 including interest at 2.52%, secured by ministerial guarantee, matures February 1, 2033.	166,606	178,466

Swan Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2021

8. Long-term Debt (continued)

Canada Mortgage and Housing Authority mortgage repayable at \$1,188 including interest at 1.14%, secured by ministerial guarantee, matures May 1, 2036	198,557	210,490
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,184 including interest at 1.31% secured by a ministerial guarantee, matures December 1, 2036.	202,142	213,634
Canada Mortgage and Housing Authority mortgage repayable monthly at \$2,351 including interest at 1.50%, secured by ministerial guarantee, matured July 1, 2037	408,652	430,592
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$589 including interest of 0.96%, secured by ministerial guarantee, matures November 1, 2039.	111,932	117,287
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$543 including interest of 0.76%, secured by ministerial guarantee, matures June 1, 2040.	109,833	115,073
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$1,721 including interest of 1.30% secured by ministerial guarantee, matures April 1, 2036.	286,802	304,185
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$797 including interest of 2.35%, secured by ministerial guarantee, matures July 1, 2038.	136,267	142,577
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$3,669 including interest of 2.35%, secured by ministerial guarantee, matures July 1, 2038.	626,894	655,923
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$1,246 including interest of 0.98%, secured by ministerial guarantee, matures July 1, 2040.	260,291	268,780
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$1,485 including interest of 0.98%, secured by ministerial guarantee, matures July 1, 2040.	310,266	320,263
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$7,605 including interest of 25.00%, secured by ministerial guarantee, matures December 1, 2045.	95,045	-
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$10,674 including interest of 25.00%, secured by ministerial guarantee, matures December 1, 2045.	134,230	-
Dakota Ojibway Child and Family Services (DOCFS) loan repayable annually in the amount of the surplus between loan payments for DOCFS building and the rental revenue received for the fiscal year from DOCFS. Loan is non-interest bearing and non-secured.	5,327	14,982
TD Canada Trust Loan (administration building), repayable monthly at \$7,334 principal and interest, interest payable at 4.47%, matures August 2027.	490,020	554,597

Swan Lake First Nation Notes to Consolidated Financial Statements

March 31, 2021

8. Long-term Debt (continued)

TD Canada Trust loan (RV Park/Log Cabins), repayable monthly at \$5,941 principal and interest, interest payable at a rate of 1.62%, matures March 2029.	533,717	583,040
TD Canada Trust loan (Enterprises), repayable monthly at \$3,014 principal and interest, interest payable at a rate of 4.35%, matures April 2032.	317,464	339,293
TD Canada Trust loan (Enterprises), repayable monthly at \$10,049 principal and interest, interest payable at a rate of 3.86%, matures November 2029.	885,639	970,315
TD Canada Trust loan (Hi-Trac) repayable monthly at \$3,871 principal and interest, interest payable at a rate of 3.53%, matures February 2024.	128,620	169,752
TD Canada Trust loan (Cultural Centre), repayable monthly at \$1,992 principal and interest, interest payable at a rate of 3.25%, matures September 2037.	304,993	318,773
TD Canada Trust loan (Enterprises), repayable monthly at \$24,011 principal and interest, interest payable at a rate of 2.61%, matures December 1, 2023.	741,433	-
RBC loan (water treatment plant), repayable monthly at \$46,192 principal and interest, interest payable at 2.25%, matures on March 21, 2024.	4,549,718	4,978,086
RBC Loan (Headingley building), repayable monthly at \$55,203 principal and interest, interest payable at 3.25%, matures on April 1, 2021.	8,291,772	8,678,573
RBC Term Loan (Headingly building) repayable monthly at interest only payments, interest payable at a rate of prime plus 0.50%, matures October 1, 2021.	485,351	1,505,341
RBC Loan (Headingly building) repayable monthly at interest only payments, interest payable at a rate of prime plus 0.50%, matures October 8, 2021.	9,866,971	8,645,616
	31,044,701	31,266,761
Less amounts due within one year	21,044,465	16,095,959
	\$ 10,000,236	\$ 15,170,802

Swan Lake First Nation Notes to Consolidated Financial Statements

March 31, 2021

8. Long-term Debt (continued)

Security on RBC loans listed above is as follows:

- Band council resolutions
- Evidences of indebtedness
- General security agreement
- Assignment of agreement with casino operator
- Assignment of all I.S.C. funding and grants related to water treatment plant
- Guarantee in the amount of \$6,990,000 from Swan Lake First Nation in support of 6226124 Manitoba Ltd. and postponement of previous claims
- General assignment of rents and leases
- Mortgage of leaseland located at 4818 Portage Avenue and 200 Alpine Way.

Security on TD loans listed above is as follows:

- General security agreement
- Band council resolutions
- Assignment of fire insurance issued in the name of Swan Lake First Nation
- Specific assignment of lease between Swan Lake First Nation, Dakota Ojibway Child and Family Services and TD Bank
- Assignment of term deposits and credit balances in the amount of \$820,000
- Guarantee of advances by Swan Lake First Nation in support of SLFN Enterprises Ltd.

Principal repayments for the next five years and thereafter are as follows:

2022	\$ 21,044,465
2023	2,417,822
2024	2,341,059
2025	607,373
2026	622,818
Thereafter	<u>4,011,164</u>
	<u>\$ 31,044,701</u>

Interest paid on long term-term debt was \$119,521 (2020 - \$124,441).

Swan Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2021

9. Deferred Revenue

The deferred revenue balance represents funding advances provided to Swan Lake First Nation by the Department of Indigenous and Northern Affairs Canada and the Government of Canada and other sources.

	2021	2020
Opening	\$ 847,192	\$ 268,799
Add:		
F.N.I.H.B. program funding	323,296	260,252
I.S.C. program funding	926,095	586,484
CMHC Rapid Housing funding	1,459,387	-
Other program funding	1,283,259	-
Less: Amounts recognized in the year	<u>(847,192)</u>	<u>(268,343)</u>
	\$ 3,992,037	\$ 847,192

10. Other Revenue

	2021	2020
SLFN Enterprises - Community Development	\$ 738,207	\$ 440,709
SLFN Enterprises - F.N.I.H.B. (deferred)	300,252	(241,749)
Bipole III	-	136,345
Public works	83,555	61,452
SLFN Housing Authority - Rapid Housing Grant	1,459,387	-
SLFN Housing Authority - CMHC Projects	407,223	347,789
Education, employment and training	785,281	1,133,818
Interest income	32,386	79,861
Livestock and other farm revenue	27,937	72,252
Bingo paper	467	1,795
Daycare revenues	417,650	43,430
Sundry - interchanges, cost recoveries and donations	<u>1,797,106</u>	<u>927,147</u>
	\$ 6,049,451	\$ 3,002,849

11. Uncertainty due to COVID-19

The ongoing events of the COVID-19 pandemic continue to have an economic impact on Canada and the Global economy. Swan Lake First Nation has also been impacted by this pandemic. This includes, but is not limited to a significant decline in VLT revenues and a slight decline in cabin rental revenues. As well, future economic conditions may impact the operations of Swan Lake First Nation, such as tenants being unable to pay their rent. Management is actively monitoring the affect on its financial condition, liquidity, and operations. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration and the related financial impact cannot be reasonably estimated.

Swan Lake First Nation Notes to Consolidated Financial Statements

March 31, 2021

12. Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve accounts for each phase are to accumulate with annual appropriations until they reach the final accumulation amounts plus interest.

These funds, along with the accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation and withdrawals are credited first to interest, then to principal.

The amount of replacement reserve at March 31, 2021 is \$337,427. \$230,541 is funded and set aside in a separate bank account. The annual replacement reserve allocation is \$71,300.

	2021	2020
Replacement reserve	\$ 337,427	\$ 286,799
Funded reserve balance	<u>230,541</u>	<u>206,716</u>
Unfunded reserve balance	<u>\$ 106,886</u>	<u>\$ 80,083</u>

13. Payroll Remittances

Swan Lake First Nation entered into an agreement with Indigenous Services Canada for funding contributions for employees registered pension plans and the Canada Pension Plan for Indigenous Services Canada funded employees. The following amounts relate to the agreement as well as source deductions remitted to Canada Revenue Agency and group insurance payments submitted to Rice Financial and Great West Life.

Total eligible salaries	\$ 3,188,531
Employee's contributions:	
Canada Pension Plan	34,619
EI	50,232
Income tax	197,174
Employer's contributions:	
Private pension plan	141,673
Canada Pension Plan	34,619
EI	70,324
Group Insurance	109,507

All unremitted amounts were remitted in April, 2021.

Swan Lake First Nation Notes to Consolidated Financial Statements

March 31, 2021

14. Prior Year Figures

Certain prior year's figures have been restated to conform with the current year's presentation.

15. Budgeted Figures

The budget adopted by Chief and Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared only for specific unaudited schedules while Public Sector Accounting Standards require a full accrual basis.

16. Segmented Information

Swan Lake First Nation is a First Nation government that provides a wide range of services to the members of its community. For management reporting purposes the First Nations' operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities in accordance with specific regulations, restrictions or limitations. These activities can also be categorized into segments. The following significant segments have been identified and as such are separately disclosed:

Education

Education contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

Social

Social contains activities that provide financial support or support by other means to band members that is aimed at developing both the individual as well as the community.

Band Support/Administration

Band support/administration contains activities that are necessary for the management and governance of the First Nation organization.

Operations and Maintenance

Operations and maintenance contains all activities that relate to the maintenance of land, buildings and infrastructure of the First Nation.

Health Services

Health Services contains activities that provide medical services to band members.

Rental Housing

Rental Housing contains activities that provide housing and repairs and maintenance to band members' housing.

Enterprises

Enterprises contain business activities operated by the first nation.

Swan Lake First Nation Notes to Financial Statements

16. Segmented Information (continued)

For the year ended March 31, 2021

	Band Supprt/ Administration	Social	Education	Health	Housing	Operations and Maintenance	Enterprises	Eliminations	Total
I.S.C.	\$ 3,337,179	\$ 1,547,346	\$ 3,441,074	\$ -	\$ 370,475	\$ 1,096,389	\$ -	\$ -	\$ 9,792,463
F.N.I.H.B.	-	-	-	3,608,086	-	-	-	-	3,608,086
Other revenue	<u>2,813,671</u>	<u>-</u>	<u>462,695</u>	<u>19,271</u>	<u>2,123,133</u>	<u>1,216,053</u>	<u>6,076,149</u>	<u>(1,882,077)</u>	<u>10,828,895</u>
Total revenue	<u>6,150,850</u>	<u>1,547,346</u>	<u>3,903,769</u>	<u>3,627,357</u>	<u>2,493,608</u>	<u>2,312,442</u>	<u>6,076,149</u>	<u>(1,882,077)</u>	<u>24,229,444</u>
Amortization	347,156	-	-	15,364	363,471	343,220	1,540,191	-	2,609,402
Cost of sales	-	-	-	-	-	-	1,470,605	-	1,470,605
Program expenditures	5,089,833	-	1,905,633	1,257,101	1,974,930	2,229,799	2,154,310	(1,882,077)	12,729,529
Salaries and benefits	1,197,258	63,786	1,085,578	1,020,268	45,889	764,190	413,788	-	4,590,757
Social assistance	-	1,513,488	-	-	-	-	-	-	1,513,488
Travel	<u>125,672</u>	<u>-</u>	<u>11,506</u>	<u>18,858</u>	<u>7,365</u>	<u>32,408</u>	<u>-</u>	<u>-</u>	<u>195,809</u>
Total expenditures	<u>6,759,919</u>	<u>1,577,274</u>	<u>3,002,717</u>	<u>2,311,591</u>	<u>2,391,655</u>	<u>3,369,617</u>	<u>5,578,894</u>	<u>(1,882,077)</u>	<u>23,109,590</u>
Surplus (deficit)	\$ (609,069)	\$ (29,928)	\$ 901,052	\$ 1,315,766	\$ 101,953	\$ (1,057,175)	\$ 497,255	\$ -	\$ 1,119,854

Swan Lake First Nation Notes to Financial Statements

16. Segmented Information (continued)

For the year ended March 31, 2020

	Band Supprt/ Administration	Social	Education	Health	Housing	Operations and Maintenance	Enterprises	Eliminations	Total
I.S.C.	\$ 1,225,190	\$ 1,155,081	\$ 2,805,093	\$ -	\$ 400,000	\$ 1,315,312	\$ -	\$ -	\$ 6,900,676
F.N.I.H.B.	-	-	-	2,974,459	-	-	-	-	2,974,459
Other revenue	<u>2,983,530</u>	<u>-</u>	<u>50,472</u>	<u>(260,252)</u>	<u>610,215</u>	<u>1,285,273</u>	<u>7,638,085</u>	<u>(1,466,246)</u>	<u>10,841,077</u>
Total revenue	<u>4,208,720</u>	<u>1,155,081</u>	<u>2,855,565</u>	<u>2,714,207</u>	<u>1,010,215</u>	<u>2,600,585</u>	<u>7,638,085</u>	<u>(1,466,246)</u>	<u>20,716,212</u>
Amortization	241,952	-	-	21,949	334,708	334,456	1,191,435	-	2,124,500
Cost of sales	-	-	-	-	-	-	1,942,818	-	1,942,818
Program expenditures	3,307,558	-	1,648,325	457,681	502,190	1,399,103	3,385,139	(1,466,246)	9,233,750
Salaries and benefits	946,887	69,987	1,002,184	1,161,078	57,477	400,541	581,351	-	4,219,505
Social assistance	-	1,085,340	-	-	-	-	-	-	1,085,340
Travel	<u>232,777</u>	<u>-</u>	<u>56,368</u>	<u>82,734</u>	<u>9,113</u>	<u>74,867</u>	<u>-</u>	<u>-</u>	<u>455,859</u>
Total expenditures	<u>4,729,174</u>	<u>1,155,327</u>	<u>2,706,877</u>	<u>1,723,442</u>	<u>903,488</u>	<u>2,208,967</u>	<u>7,100,743</u>	<u>(1,466,246)</u>	<u>19,061,772</u>
Surplus (deficit)	\$ (520,454)	\$ (246)	\$ 148,688	\$ 990,765	\$ 106,727	\$ 391,618	\$ 537,342	\$ -	\$ 1,654,440