

SAPOTAWEYAK CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

SAPOTAWEYAK CREE NATION

MANAGEMENT'S REPORT

FOR THE YEAR ENDED MARCH 31, 2021

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Sapotaweyak Cree 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 Professional Accountants and as such include amounts that are the best estimates and judgments of management.

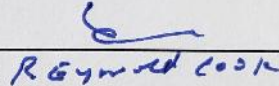
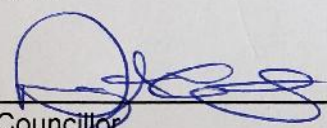

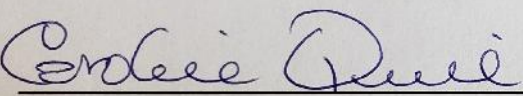
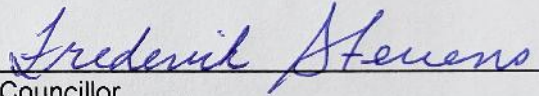
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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 Sapotaweyak Cree Nation and meet when required.

On behalf of Sapotaweyak Cree Nation:

Chief	Councillor 
 Councillor	Councillor 
 Councillor	 Councillor

July 27, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Sapatawayak Cree Nation:

Opinion

We have audited the consolidated financial statements of Sapatawayak Cree 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 Sapatawayak Cree 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
July 27, 2021


CHARTERED PROFESSIONAL ACCOUNTANTS

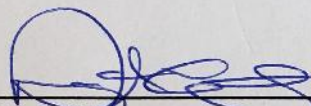
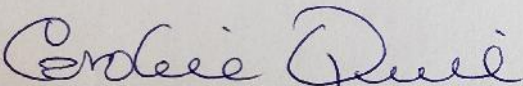

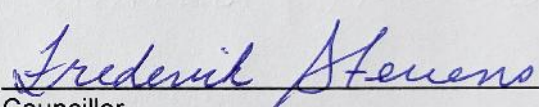
SAPOTAWEYAK CREE NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 11,006,264	7,392,424
Restricted cash (Note 2)	541,744	444,141
Accounts receivable (Note 3)	1,229,856	1,446,672
Inventory for resale	104,786	104,832
Trust funds held by the federal government (Note 4)	879	863
Investment in government business partnerships (Note 5)	344,316	484,688
	<u>13,227,845</u>	<u>9,873,620</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	385,982	1,554,993
Unexpended funding (Note 9)	8,419,597	4,719,407
Long-term debt (Note 10)	8,339,777	7,960,861
	<u>17,145,356</u>	<u>14,235,261</u>
NET DEBT	\$ <u><u>3,917,511</u></u>	<u><u>4,361,641</u></u>
NON-FINANCIAL ASSETS		
Construction in progress	\$ 13,934,475	3,523,561
Tangible Capital Assets (Note 6)	28,357,319	30,438,418
Prepaid expenses	-	53,326
	<u>42,291,794</u>	<u>34,015,305</u>
ACCUMULATED SURPLUS	\$ <u><u>38,374,283</u></u>	<u><u>29,653,664</u></u>

APPROVED ON BEHALF OF THE FIRST NATION:

<p>_____ Chief</p> <p> _____ Councillor</p> <p> _____ Councillor</p>	<p> _____ Councillor <i>Raymond Cook</i></p> <p>_____ Councillor</p> <p> _____ Councillor</p>
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SAPOTAWEYAK CREE NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUES		
ISC	\$ 26,258,220	16,923,248
Health Canada	4,747,638	3,905,495
Federal Government - MKO	627,130	745,749
Province of Manitoba	830,547	547,326
CMHC	399,571	352,937
Rental income	314,646	312,451
Other revenue	13,386,081	16,750,082
Loss from investment in government business partnerships	(140,372)	(243,423)
Net transfer to unexpended funding	<u>(3,700,190)</u>	<u>(1,713,221)</u>
	<u>42,723,271</u>	<u>37,580,644</u>
EXPENSES		
Band government	1,194,234	767,415
Community development	13,053,923	2,258,308
Economic development	119,074	1,463,122
Education	7,930,905	6,879,034
Social services	3,349,221	3,252,194
Health	4,623,143	3,913,742
Amortization	3,156,069	1,896,791
Other	576,083	12,929,518
	<u>34,002,652</u>	<u>33,360,124</u>
ANNUAL SURPLUS	<u>8,720,619</u>	<u>4,220,520</u>
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	29,653,664	25,433,144
ACCUMULATED SURPLUS AT END OF YEAR	<u>\$ 38,374,283</u>	<u>29,653,664</u>

SAPOTAWEYAK CREE NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
ANNUAL SURPLUS	\$ 8,720,619	4,220,520
Acquisition of tangible capital assets	(1,074,970)	(7,237,652)
Amortization of tangible capital assets	3,156,069	1,896,791
Change in construction in progress	(10,410,914)	727,441
Change in prepaid expenses	<u>53,326</u>	<u>(53,326)</u>
CHANGE IN NET DEBT	444,130	(446,226)
NET DEBT AT BEGINNING OF YEAR	<u>(4,361,641)</u>	<u>(3,915,415)</u>
NET DEBT AT END OF YEAR	\$ <u><u>(3,917,511)</u></u>	<u><u>(4,361,641)</u></u>

SAPOTAWEYAK CREE NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 8,720,619	4,220,520
Items not affecting cash:		
Amortization	3,156,069	1,896,791
Loss from investment in government business partnerships	140,372	243,423
	<u>12,017,060</u>	<u>6,360,734</u>
Change in non-cash charges to operations		
Accounts receivable	216,816	136,106
Inventory for resale	46	(90,730)
Trust funds held by the federal government (Note 4)	(16)	(14)
Accounts payable and accrued liabilities	(1,169,011)	635,320
Unexpended funding	3,700,190	1,700,006
Prepaid expenses	53,326	(53,326)
Cash provided by (applied to) operating transactions	<u>14,818,411</u>	<u>8,688,096</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(1,074,970)	(7,237,652)
Purchase of assets under construction	(10,410,914)	727,441
	<u>(11,485,884)</u>	<u>(6,510,211)</u>
FINANCING TRANSACTIONS		
Debt issuance	1,433,100	2,411,653
Repayment of long-term debt	(1,054,184)	(554,055)
Temporary borrowings (Note 7)	-	(90,000)
Cash provided by (applied to) financing transactions	<u>378,916</u>	<u>1,767,598</u>
INCREASE IN CASH AND CASH EQUIVALENTS	3,711,443	3,945,483
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>7,836,565</u>	<u>3,891,082</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 11,548,008</u>	<u>7,836,565</u>
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 11,006,264	7,392,424
Restricted cash	541,744	444,141
	<u>\$ 11,548,008</u>	<u>7,836,565</u>

SAPOTAWEYAK CREE 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 Sapotaweyak Cree Nation reporting entity includes the Sapotaweyak Cree Nation government and all related entities that are controlled by the First Nation.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Sapotaweyak Cree Nation
- Sapotaweyak Health Authority
- Sapotaweyak Education Authority
- Sapotaweyak Aboriginal Skills and Employment Training (ASETS) Program
- Club SAPP
- The Loonie Bin Gaming Lounge
- Sapotaweyak CMHC Housing Authority
- Sapotaweyak Internet Services
- Sapotaweyak Social Services
- Petro Gas Bar

Investments in government business partnerships are accounted for using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity's accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Asesneskak Casino Limited Partnership
- Bus lines & Mahikan GP Inc.

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.

SAPOTAWEYAK CREE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the overhead directly attributable to construction and development, as well as interest costs that are directly attributable to construction of the asset.

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.

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

Amortization is provided for on a straight-line basis, over the estimated useful lives as follows:

Appliances	4 years
Commercial buildings	20 years
Computer equipment	3 years
Furniture and fixtures	5 years
Heavy equipment	5 years
Other equipment	4 years
Residential buildings	25 years
Roads	40 years
Underground networks	40 years
Vehicles	3 years

SAPOTAWEYAK CREE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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) Provision for site rehabilitation

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. A liability is recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used and is equal to a proportion of the estimated total expenditure required for closure and post-closure care. The estimated total expenditure represents the sum of discounted cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future revenue generation, are expensed in the current year.

No liability has been recorded as of March 31, 2019 as funding from government agencies will offset any costs associated with the closure of landfill sites.

i) Employee future benefits

The First Nation's employee future benefit programs consist of defined contribution pension plans. The First Nation's contributions to the defined contribution plans are expensed as incurred.

j) Measurement uncertainty

In preparing the consolidated financial statements for Sapotaweyak Cree 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.

SAPOTAWEYAK CREE 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, Sapotaweyak Cree 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>2021</u>	<u>2020</u>
Externally restricted		
CMHC - Replacement Reserve	\$ 541,744	444,141
Internally restricted		
Unexpended funding	8,419,597	4,719,407
Unrestricted	11,006,264	7,392,424
Total cash and cash equivalents	\$ 11,548,008	7,836,565

3) ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Trade receivables	\$ 174,354	239,539
Due from members		
Economic Development - start-up loans	97,520	76,615
Cash advance loans	92,714	287,842
Due from government and other government organizations		
Federal government		
Canada Mortgage and Housing Corporation	61,642	55,917
ISC	718,779	803,449
Health Canada	-	268,373
Provincial government	259,684	49,960
	<u>1,404,693</u>	<u>1,781,695</u>
Less: Allowance for doubtful accounts	174,837	335,023
Total Accounts Receivable	\$ 1,229,856	1,446,672

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

4) TRUST FUNDS HELD BY THE FEDERAL GOVERNMENT

	<u>March 31, 2020</u>	<u>Additions 2021</u>	<u>Withdrawals 2021</u>	<u>March 31, 2021</u>
Revenue	\$ 863	16	-	879
Capital	-	-	-	-
	<u><u>\$ 863</u></u>	<u><u>16</u></u>	<u><u>-</u></u>	<u><u>879</u></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.

5) INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS

	<u>2021</u>	<u>2020</u>
Investment - Aseneskak Company Inc., at cost	\$ 117	117
Investment - Mahihkan Bus Lines GP Inc., at cost	10	10
Investment - Asenesak Casino Limited Partnership	385,000	385,000
Cummulative share of earnings	1,627,443	1,723,206
Cummulative dividends paid	<u>(1,399,672)</u>	<u>(1,399,672)</u>
	612,771	708,534
Investment - Mahihkan Bus Lines LP	10	10
Cummulative share of losses	(268,592)	(223,983)
Cummulative dividends paid	<u>-</u>	<u>-</u>
	<u>(268,582)</u>	<u>(223,973)</u>
Total Investments in government business partnerships	<u><u>\$ 344,316</u></u>	<u><u>484,688</u></u>

6) TANGIBLE CAPITAL ASSETS

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Buildings - CMHC	\$ 8,160,817	3,306,114	8,160,817	2,968,848
Buildings - band housing	21,477,621	18,442,100	21,477,621	18,017,083
Buildings - commercial	37,331,550	20,563,279	36,614,178	18,855,755
Equipment	5,057,241	4,448,800	4,875,041	4,132,634
Infrastructure	6,645,400	4,417,765	6,645,400	4,252,755
Roads	5,906,222	5,286,429	5,906,222	5,241,334
Vehicles	2,541,481	2,298,526	2,366,084	2,138,536
	<u><u>\$ 87,120,332</u></u>	<u><u>58,763,013</u></u>	<u><u>86,045,363</u></u>	<u><u>55,606,945</u></u>
Net book value	<u><u>\$ 28,357,319</u></u>		<u><u>\$ 30,438,418</u></u>	

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

7) TEMPORARY BORROWINGS

The First Nation has lines of credit available to address operating requirements and to bridge capital expenditures. Interest on these borrowings range from the bank's prime lending rate plus 1.5%. All loans are unsecured, due on demand and are in the form of bankers' acceptance notes and bank overdrafts. As at March 31, 2021, the amount drawn on the operating line of credit (General) is \$Nil (2020 - \$Nil), the amount drawn on the demand loan (Capital) is \$Nil (2020 - \$Nil) and the amount drawn on the demand loan (Social) is \$Nil (2020 - \$Nil).

8) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u>
Trade payables and accrued liabilities	\$ 331,788	1,317,302
Payroll liabilities	48,506	231,384
Accrued interest	5,688	6,307
	<u>\$ 385,982</u>	<u>1,554,993</u>

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

9) UNEXPENDED FUNDING

	Balance March 31, 2020	Funding Received 2021	Revenue Recognized 2021	Balance March 31, 2021
<u>Federal Government - ISC</u>				
New Water Treatment Plan \$	1,510,811	9,855,681	(7,471,216)	3,895,276
Capacity & Innovation	65,000	70,000	(37,795)	97,205
Commercial Opportunity	-	12,584	(5,655)	6,929
PIDP	-	220,600	(140,215)	80,385
Family Violence Prevention	-	14,000	(2,436)	11,564
Community Based Initiatives	275,967	337,929	(286,313)	327,583
Land Use Planning Phase III	23,025	-	(23,025)	-
COVID-19	79,912	1,320,025	(1,285,341)	114,596
Band Housing 20-21	-	1,360,700	(538,358)	822,342
Band Housing 19-20	474,721	-	(153,515)	321,206
<u>Education</u>				
Instructional Services	210,553	3,218,908	(2,555,965)	873,496
Post Secondary	289,244	680,766	(686,968)	283,042
Summer Employment	24,507	-	(24,507)	-
Maple Sugar Program	15,000	15,000	(12,399)	17,601
Jordan's Principle	26,694	-	-	26,694
K4 K5 School Kindergarten	150,220	158,540	(308,760)	-
<u>Social Services</u>				
Basic Needs	31,595	-	(31,595)	-
Special Needs	37,444	85,452	(49,518)	73,378
Basic Needs - COVID	-	1,183,675	(733,380)	450,295
In-Home Care	16,710	75,036	(71,840)	19,906
Service Delivery	5,376	183,817	(118,826)	70,367
	<u>3,236,779</u>	<u>18,792,713</u>	<u>(14,537,627)</u>	<u>7,491,865</u>
<u>Other Deferred Revenue</u>				
MB Hydro - Bipole III	271,604	-	(81,863)	189,741
Trailblaze	-	7,000	(189)	6,811
<u>Health Canada</u>				
Home & Community Care	42,223	278,679	(280,864)	40,038
Jordan's Principle	498,464	1,553,600	(1,489,362)	562,702
O&M Building (Flexible)	670,337	275,000	(816,897)	128,440
	<u>1,482,628</u>	<u>2,114,279</u>	<u>(2,669,175)</u>	<u>927,732</u>
\$	<u><u>4,719,407</u></u>	<u><u>20,906,992</u></u>	<u><u>(17,206,802)</u></u>	<u><u>8,419,597</u></u>

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

10) LONG-TERM DEBT

	<u>2021</u>	<u>2020</u>
Royal Bank of Canada, 2021 Governance Building loan repayments currently interest only at 3.95%	\$ 1,270,100	-
Royal Bank of Canada, 2021 Case Loader purchase Repayable at \$32,600 annually, plus interest at 4.45% per annum, maturing January 22, 2022	163,000	-
Royal Bank of Canada, 2020 equipment loan Repayable at \$78,112 annually, plus interest at 4.45% per annum, maturing May 14, 2021	167,277	390,562
Royal Bank of Canada, 2020 housing loan Repayable at \$137,956 annually, plus interest at 4.45% per annum, maturing April 30, 2021	92,571	230,527
Royal Bank of Canada, 2018 Fire Truck purchase Repaid during the year	-	54,598
Royal Bank of Canada, 2019 Sewer Truck Loan Repaid during the year	-	103,785
Royal Bank of Canada, 2019 Water Truck Loan Repaid during the year	-	109,853
PETRO GAS BAR		
Royal Bank of Canada, 2020 gas station loan Repayable at \$5,161 monthly, plus interest at 3.73% per annum, maturing June 28, 2024	987,254	999,821
Suncor loan, forgivable	105,000	105,000
First People's Economic Growth Fund, gas station loan Repayable at \$7,426 monthly, including interest at 5.00% per annum, maturing August 2029	644,721	670,793
First People's Economic Growth Fund, interest free loan Repayable at \$2,500 monthly, including interest at 0.00% per annum, maturing August 2029	270,000	282,500
CLUB SAPP		
Royal Bank of Canada, repaid during the year	-	23,803
First Peoples Economic Growth Fund, repayable at \$2,500 monthly, interest at 0%, due June 2025.	145,000	157,500
SUB-TOTAL	<u>3,844,923</u>	<u>3,128,742</u>

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

10) LONG-TERM DEBT (continued)

	<u>2021</u>	<u>2020</u>
CANADA MORTGAGE AND HOUSING CORPORATION (CMHC):		
Phase 1: Repayable at \$2,295 monthly including interest at 0.67% per annum, compounded semi-annually, matures May 2025, renewal date May 2025.	\$ 113,120	139,740
Phase 2: Repayable at \$4,506 monthly including interest at 1.30% per annum, compounded semi-annually, matures April 2027, renewal date June 2022.	316,112	365,741
Phase 3: Repayable at \$3,028 monthly including interest at 0.46% per annum, compounded semi-annually, matures January 2030, renewal date May 2021.	314,518	348,579
Phase 4: Repayable at \$4,787 monthly including interest at 1.31% per annum, compounded semi-annually, matures December 2031, renewal date December 2021.	575,818	625,406
Phase 5: Repayable at \$2,531 monthly including interest at 2.52% per annum, compounded semi-annually, matures July 2033, renewal date September 2023.	321,889	343,908
Phase 6: Repayable at \$5,026 monthly including interest at 1.87% per annum, compounded semi-annually, matures January 2034, renewal date May 2024.	688,009	735,060
Phase 7: Repayable at \$4,441 monthly including interest at 1.03% per annum, compounded semi-annually, matures October 2036, renewal date October 2021.	766,992	812,163
Phase 8: Repayable at \$7,338 monthly including interest at 1.75% per annum, compounded semi-annually, matures October 2039, renewal date October 2024.	<u>1,398,396</u>	<u>1,461,522</u>
SUB-TOTAL - CMHC	4,494,854	4,832,119
Previous page	<u>3,844,923</u>	<u>3,128,742</u>
Total Long-term debt	8,339,777	7,960,861
Less: current portion	<u>2,282,641</u>	<u>1,276,355</u>
	\$ <u>6,057,136</u>	<u>6,684,506</u>

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

2022	\$ 2,282,641
2023	608,895
2024	601,311
2025	2,696,359
2026	612,471

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

11) EXPENSES BY OBJECT

The following is a summary of expenses by object:

	<u>2021</u>	<u>2020</u>
Amortization	\$ 3,156,069	1,896,791
Fees and contract services	10,082,879	4,828,663
Interest	163,819	136,349
Professional services	297,684	512,590
Rental expenditures	146,923	38,838
Salaries, wages and benefits	8,081,944	7,726,639
Staff development	210,257	437,434
Supplies and services	11,024,940	16,724,328
Travel	838,137	1,058,492
	<u>\$ 34,002,652</u>	<u>33,360,124</u>

12) CONTINGENT LIABILITY - SOCIAL SERVICES FUNDING

ISC has identified the following funding recoveries totalling \$298,853 related to the social services program:

- Basic Needs (2010-11)	\$ 27,570
- Basic Needs (2014 Social Compliance Review)	271,283

ISC has withheld social services funding owed to the First Nation totalling \$94,083 from the 2012-13 and 2013-14 fiscal years, that has not been recorded as a receivable by the First Nation. This withheld funding may be applied against the basic needs funding recoveries above in the event of repayment. Until such time as the terms of repayment have been established and a mutual agreement is reached, the First Nation is disclosing these recoveries as contingent liabilities.

13) COMMITMENTS

The First Nation has entered into agreements with Manitoba Liquor and Lotteries with respect to the Video Lotto Terminals (VLT) in use at Club SAPP and The Loonie Bin Gaming Lounge. The First Nation is committed to combined weekly payments of \$3,241 (\$168,532 annually) for the use of the VLTs.

14) COMPARATIVE FIGURES

Comparative figures have been provided where practicable in the Schedules of Revenue and Expenditures. Certain comparative figures have been reclassified to conform to the current year's method of presentation.

SAPOTAWEYAK CREE NATION
SUMMARY OF ISC AND OTHER FUNDING
FOR THE YEAR ENDED MARCH 31, 2021
(Unaudited)

REVENUE								
	PAGE	ISC	OTHER	UNEXPENDED FUNDING BEGINNING OF YEAR	TOTAL	EXPENDITURE	UNEXPENDED FUNDING END OF YEAR	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE
Band Support	18	\$ 589,440	453,997	-	1,043,437	1,469,086	-	(425,649)
Band Employee Benefits	19	70,486	-	-	70,486	70,486	-	-
Indian Registry Admins	19	19,403	-	-	19,403	19,403	-	-
RLEMP	20	27,644	-	-	27,644	27,644	-	-
RLEMP Supplementary	20	22,765	-	-	22,765	22,765	-	-
Land Use Planning Phase III	21	-	-	23,025	23,025	23,025	-	-
Community Opportunity	22	12,584	-	-	12,584	5,655	6,929	-
Community Based Initiatives	22	337,929	-	275,967	613,896	286,313	327,583	-
PIDP - Capacity	23	45,000	-	-	45,000	41,295	3,705	-
PIDP - Planning / Risk Mgmt	23	14,900	-	-	14,900	14,900	-	-
PIDP - HR Mgmt	23	60,900	-	-	60,900	43,000	17,900	-
PIDP - Leadership	24	79,900	-	-	79,900	25,000	54,900	-
PIDP - Law Making	24	19,900	-	-	19,900	16,020	3,880	-
Aboriginal Entrepreneurship	25	227,423	-	-	227,423	227,423	-	-
Specific Claims	25	-	-	-	-	-	-	-
Policing	26	-	72,508	-	72,508	93,207	-	(20,699)
Family Violence Prevention	26	14,000	-	-	14,000	2,436	11,564	-
COVID-19	27	1,320,025	-	79,912	1,399,937	1,285,341	114,596	-
Wildfire Response	27	-	-	-	-	-	-	-
Economic Development	28	85,164	9,854	-	95,018	113,419	-	(18,401)
Education	29	7,802,413	604,927	716,218	9,123,558	7,954,901	1,200,833	(32,176)
Social Services	46	3,003,908	-	91,125	3,095,033	2,481,087	613,946	-
Capital and O&M	50	12,504,436	17,201	2,050,532	14,572,169	10,435,049	5,136,029	(998,909)
Health Canada	61	-	4,751,638	1,211,024	5,962,662	5,249,245	731,180	(17,763)
Other programs		-	14,255,116	271,604	14,526,720	4,095,952	196,552	10,234,216
		\$ 26,258,220	20,165,241	4,719,407	51,142,868	34,002,652	8,419,597	8,720,619