

**LUCKY MAN CREE NATION**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

2017-18 for the year ended March 31, 2018

Audit received.

August 28/19.

*[Signature]*

**Lucky Man Cree Nation**

**Index to the Program Schedules of Revenue and Expenses and Surplus (Deficit)**

March 31, 2018

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### **Management Responsibility**

To the Members of Lucky Man Cree Nation:

The accompanying financial statements of Lucky Man Cree Nation are the responsibility of management and have been approved by the Chief and Council.

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

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

The Lucky Man Cree Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Cree Nation's external auditors.

Gabriel Ng CPA P.C. Inc. is appointed by the Council to audit the financial statements and report directly to them; their report follows.

The external auditor has full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.



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Crystal Albert, Band Manager of Lucky Man Cree Nation

August 21, 2019

## INDEPENDENT AUDITOR'S REPORT

To the Members of Lucky Man Cree Nation:

I have audited the accompanying financial statements of Lucky Man Cree Nation, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and accumulated surplus, changes in net debt, cash flows, and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Independent Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Lucky Man Cree Nation as at March 31, 2018 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Gabriel Ng CPA P.C. Inc.*

**Lucky Man Cree Nation**

**Statement of Financial Position as at March 31**

	<u>2018</u>	<u>2017</u> (as restated)
<b>Financial Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4)	\$ 24,603	\$ -
Accounts receivable (Note 5)	90,905	51,101
Investments (Note 6)	-	-
Restricted cash (Note 7)	<u>673,078</u>	<u>702,369</u>
	788,586	753,470
<b>Non-Current Assets</b>		
Funds Held in Trust (Note 8)	<u>1,483,613</u>	<u>1,548,826</u>
	<u>2,272,199</u>	<u>2,302,296</u>
<b>Financial Liabilities</b>		
<b>Current Liabilities</b>		
Cash and cash equivalents (Note 4)	-	22,840
Accounts payable (Note 9)	92,321	33,770
Unexpended revenue (Note 10)	-	3,694
Loan facility (Note 11)	<u>301,688</u>	<u>301,688</u>
	<u>394,009</u>	<u>361,992</u>
<b>Net Financial Assets</b>	<u>1,878,190</u>	<u>1,940,304</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 14)	4,792	7,136
Prepaid expenses	-	2,400
	<u>4,792</u>	<u>9,536</u>
<b>Accumulated Surplus</b>	<u>\$ 1,882,982</u>	<u>\$ 1,949,840</u>

Economic Dependence (Note 13)

Approved on behalf of Chief and Council

\_\_\_\_\_ Chief

\_\_\_\_\_ Councillor

The accompanying notes are an integral part of these financial statements

**Lucky Man Cree Nation**

**Statement of Operations and Accumulated Surplus for the Year Ended March 31**

	2018 Budget (Note 14)	2018 Actual	2017 Actual (as restated)
<b>Revenue</b>			
Indigenous Services Canada (Note 15)	\$ 278,891	\$ 278,891	\$ 270,581
Battlefords Tribal Council	15,000	12,200	14,150
Battlefords Agency Tribal Chiefs	10,000	15,539	4,048
First Nations Trust	45,000	47,143	46,606
Land lease income	16,000	40,270	15,622
Interest income and earnings distributions	80,100	115,976	107,552
Other income and recoveries	-	250	16,950
Administration fee (Note 16)	6,500	8,050	3,899
	<u>451,491</u>	<u>518,319</u>	<u>479,408</u>
<b>Unexpended Revenue</b>			
Prior year	3,694	3,694	-
Current year	-	-	(3,694)
	<u>455,185</u>	<u>522,013</u>	<u>475,714</u>
<b>Expenses</b>			
Band Support (Schedule A)	179,245	188,387	212,944
Education (Schedule B)	44,500	66,555	42,883
Community Infrastructure (Schedule C)	57,800	53,458	45,448
Land Development (Schedule D)	69,000	69,200	68,992
Ottawa Trust Funds (Schedule E)	-	-	-
Health (Schedule F)	40,000	54,557	37,674
Other Project Revenue (Schedule G)	124,000	154,370	380,628
	<u>514,545</u>	<u>586,527</u>	<u>788,569</u>
<b>Surplus (Deficit) Before Other Items</b>	(59,360)	(64,514)	(312,855)
<b>Other Income (Expenses)</b>			
Depreciation recorded	(2,344)	(2,344)	(2,344)
Change in investment equity	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Annual Surplus (Deficit)</b>	(61,704)	(66,858)	(315,199)
<b>Accumulated Surplus, Beginning of the Year</b>	<u>1,949,840</u>	<u>1,949,840</u>	<u>2,265,039</u>
<b>Accumulated Surplus, End of the Year</b>	<u><u>\$ 1,888,136</u></u>	<u><u>\$ 1,882,982</u></u>	<u><u>\$ 1,949,840</u></u>

The accompanying notes are an integral part of these financial statements

**Lucky Man Cree Nation**

**Statement of Changes in Net Financial Assets for the year ended March 31**

	<u>2018 Budget (Note 14)</u>	<u>2018 Actual</u>	<u>2017 Actual (as restated)</u>
Surplus (Deficits) for the year before depreciation	\$ (59,360)	\$ (64,514)	\$ (312,855)
Changes in Prepaid Expenses	<u>-</u>	<u>2,400</u>	<u>2,333</u>
Increase (Decrease) in Net Financial Assets	(59,360)	(62,114)	(310,522)
Balance of Net Financial Assets, beginning of the year	<u>1,940,304</u>	<u>1,940,304</u>	<u>2,250,826</u>
Balance of Net Financial Assets, end of the year	<u><u>\$ 1,880,944</u></u>	<u><u>\$ 1,878,190</u></u>	<u><u>\$ 1,940,304</u></u>

The accompanying notes are an integral part of these financial statements

Lucky Man Cree Nation

Statement of Changes in Surplus Balances for the year ended March 31

	<u>2018</u>	<u>2017</u>
<b>Surplus, Appropriated for Education</b>		
Surplus, beginning of the year	\$ 702,369	\$ 666,743
Transfer from Unappropriated Surplus	<u>-</u>	<u>35,626</u>
Surplus, end of the year	<u>702,369</u>	<u>702,369</u>
 <b>Surplus, Appropriated for Tangible Capital Assets</b>		
Surplus, beginning of the year	7,136	9,480
Amortization of tangible capital assets	<u>(2,344)</u>	<u>(2,344)</u>
Restricted Fund, end of the year	<u>4,792</u>	<u>7,136</u>
 <b>Surplus, Operating</b>		
Surplus, beginning of the year as previously reported	1,240,335	1,648,776
Prior period adjustment (Note 10)	<u>-</u>	<u>(59,960)</u>
Surplus, beginning of the year as restated	1,240,335	1,588,816
Surplus (Deficit) for the year	(64,514)	(312,855)
Transfer from Unappropriated Surplus	<u>-</u>	<u>(35,626)</u>
Surplus, end of the year	<u>1,175,821</u>	<u>1,240,335</u>
 <b>Accumulated Surplus</b>	 <u><u>\$ 1,882,982</u></u>	 <u><u>\$ 1,949,840</u></u>

The accompanying notes are an integral part of these financial statements



Lucky Man Cree Nation

Statement of Cash Flow for the year ended March 31

	<u>2018</u>	<u>2017</u> (as restated)
<b>Cash provided by (used for) the following activities</b>		
<b>Operating Activities</b>		
Annual surplus (deficit)	\$ (66,858)	\$ (315,199)
Non-cash items		
Amortization	<u>2,344</u>	<u>2,344</u>
	(64,514)	(312,855)
Changes in non-cash working capital accounts		
Accounts receivable	(39,804)	(31,141)
Prepaid expenses	2,400	(1,050)
Accounts payable	58,551	(124,530)
Unexpended revenue	<u>(3,694)</u>	<u>3,694</u>
	<u>(47,061)</u>	<u>(465,882)</u>
<b>Financing Activities</b>		
Increase (Decrease) in funds obtained from loan	<u>-</u>	<u>301,688</u>
<b>Investing Activities</b>		
(Increase) Decrease in funds held in trust	<u>65,213</u>	<u>245,625</u>
Increase (Decrease) in Cash Resources	18,152	81,431
Cash Resources, beginning of the year	<u>679,529</u>	<u>598,098</u>
Cash Resources, end of the year	<u><u>\$ 697,681</u></u>	<u><u>\$ 679,529</u></u>
<b>Cash Resources are represented by:</b>		
Cash and Cash Equivalents	\$ 24,603	\$ (22,840)
Restricted Cash	<u>673,078</u>	<u>702,369</u>
	<u><u>\$ 697,681</u></u>	<u><u>\$ 679,529</u></u>

The accompanying notes are an integral part of these financial statements

## Lucky Man Cree Nation

### Notes to the Financial Statements

March 31, 2018

#### **1. Description of Cree Nation Entity**

The Lucky Man Cree Nation ("the Cree Nation") is located east of the Battlefords in the province of Saskatchewan, and provides various services to its membership. The Cree Nation has the smallest membership within Treaty 6.

#### **2. Changes in Accounting Policies**

Effective April 1, 2017, the Cree Nation adopted the recommendations related to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 Related Party Disclosures
- PS 3210 Assets
- PS 3320 Contingent Assets
- PS 3380 Contractual Rights
- PS 3420 Inter-Entity Transactions

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated as a result of the adoption of these recommendations. There was no material impact on the financial statements from adopting these new Sections.

#### **3. Significant Accounting Policies**

The financial statements are the representation of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

##### Reporting Entity

The financial statements consolidate the financial activities of all entities and departments comprising the Cree Nation reporting entity. Trusts administered on behalf of third parties by Lucky Man Cree Nation are excluded from the Cree Nation reporting entity.

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

- Lucky Man Cree Nation

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

**Lucky Man Cree Nation**

**Notes to the Financial Statements**

March 31, 2018

**3. Significant Accounting Policies (Continued)**

**Other Economic Interests**

The Cree Nation does not either share in the control or the profit or loss of the following entities. As a result, the financial statement of the following entities has not been consolidated or proportionately consolidated with the financial statements of Lucky Man Cree Nation.

- The Cree Nation is a member of the Battlefords Tribal Council (BTC). The BTC is an organization of 7 Nations. The BTC is mandated to enhance the services provided to the member Nations in the areas of education, health, justice, technical services, and social development.
- The Cree Nation is a member of BTC Indian Child and Family Services Inc. (BTC ICFS). BTC ICFS is an organization of 3 Nations. The mandate of BTC ICFS is to ensure the protection of children.

**Basis of Presentation**

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, balances with bank less outstanding cheques. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**Restricted Cash**

Restricted cash consists of funds held in trust for the education fund.

**Funds Held in Trust**

Funds held in trust on behalf of Cree Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in the accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions, the sale of land or other Cree Nation tangible capital assets; and,
- Revenue from trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenues from trust monies are recognized when measurable, earned, and collection is reasonably assured. These monies are reported on by the Government of Canada.

**Lucky Man Cree Nation**

**Notes to the Financial Statements**

**March 31, 2018**

**3. Significant Accounting Policies (Continued)**

**Tangible Capital Assets**

Tangible capital assets exceeding \$1,000 are initially recorded at cost, less accumulated amortization. Contributed tangible assets are recorded at their fair value at the date of contribution.

**Amortization**

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

Building	25 years straight line
General Equipment	10 years straight line
Roads	20 years straight line
Infrastructure	20 years straight line
Computers	4 years straight line

Projects under construction are not amortized until they are put into use.

The Cree Nation holds original reserve land. The value of this land is not recognized in the Cree Nation's financial statements.

**Asset Classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

**Net Financial Assets (Net Debt)**

The Cree Nation's financial statements are presented to highlight net financial assets (debt) as the measurement of financial position. The net financial assets of the Cree Nation are determined by its financial assets less its financial liabilities. Net financial assets (debt) are comprised of two components, non-financial assets and accumulated surplus.

**3. Significant Accounting Policies (Continued)**

**Revenue Recognition**

*Government transfers*

The Cree Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Cree Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

*Funding*

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

*Rental and lease income*

Revenue is recognized when it is probable that the economic benefits associated with a transaction will flow to the Cree Nation and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

*Other revenue*

Other revenues are earned from other services provided by the Cree Nation and are recognized when the services have been performed.

*Funds held in Ottawa Trust Fund and Education Trust*

Revenue is recognized when amounts can be reasonably estimated and collectability is known.

**Segment Reporting**

The Cree Nation conducts its business through 7 reportable segments: Band Support, Education, Community Infrastructure, Land Development, Ottawa Trust Funds, Health, and Other Project Revenue. These operating segments are established by senior management to facilitate the achievement of the Cree Nation's long term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in the significant accounting policies.

**Lucky Man Cree Nation**

**Notes to the Financial Statements**

**March 31, 2018**

**3. Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Accounts receivable and members advance are assessed for collectability annually and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Estimates are based on the best information available at the time of preparation of financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

**Liability for Contaminated Site**

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Cree Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

At each financial reporting date, the Cree Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized are accounted for in the period revisions are made. The Cree Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

No liability has been recorded at March 31, 2018

**Pension Plan**

Lucky Man Cree Nation provides a defined contribution pension plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount where the employee's contribution are matched by the Cree Nation.

**Financial Instruments**

The Cree Nation's financial instruments consist of cash and cash equivalents, accounts receivable, restricted cash, funds held in trust, and accounts payable and accruals. Unless otherwise noted, it is management's opinion that the Cree Nation is not exposed to significant interest, credit, market, or currency risks arising from these financial instruments.

**Lucky Man Cree Nation**

**Notes to the Financial Statements**

**March 31, 2018**

**4. Cash and Cash Equivalents**

	<u>2018</u>	<u>2017</u>
Cash on deposit	\$ 20,287	\$ ( 325)
Add outstanding deposits	4,466	-
Less cheques issued and outstanding	( 150)	( 22,515)
	<u>\$ 24,603</u>	<u>\$ ( 22,840)</u>

The funds are held within a major Canadian banking institution. An overdraft facility of \$50,000 is available on a permanent basis, where the facility is secured by a general security agreement.

**5. Accounts Receivable**

	<u>2018</u>	<u>2017</u>
Members advances	\$ 119,076	\$ 111,029
Indigenous Services Canada	25,530	17,619
First Nations Trust – Gaming Monies	35,376	-
Battlefords Agency Tribal Chiefs	1,554	4,048
Other receivable and recoverable	-	8,400
Less: Allowances for uncollectible amounts	( 90,631)	( 89,995)
	<u>\$ 90,905</u>	<u>\$ 51,101</u>

**Lucky Man Cree Nation**

**Notes to the Financial Statements**

March 31, 2018

**5. Accounts Receivable (Continued)**

***Members advances***

The following is a breakdown of the outstanding member advances:

	<u>2018</u>	<u>2017</u>
Albert, Crystal	\$ 27,225	\$ 21,884
Bird, Leona	2,755	3,005
Buffalo, Joan	2,565	305
Gamble, Shirley	1,233	3,230
Okemow, Dagney	-	240
Okemow, Fonda	2,571	2,821
Okemow, Janet	924	924
Okemow, Joan	2,683	-
Okemow, Karen	2,655	2,905
Okemow, Monica	1,733	650
Okemow, Pauline	69,707	69,995
Okemow, Terrance	<u>5,025</u>	<u>5,025</u>
	\$ 119,076	\$ 111,029

For individual balances outstanding greater than \$3,000, a repayment plan was negotiated and implemented between the individual and the Chief and Council subsequent this fiscal year-end.

**6. Investments**

Lucky Man Cree Nation is a member of the Battlefords Tribal Council. Battlefords Tribal Council, on behalf of its member Cree Nations, has invested in a number of companies which include holdings in property, hotels, and gaming. Lucky Man Cree Nation does not have a controlling interest in these entities and there has been no information provided to Lucky Man Cree Nation to value the investments.



**Lucky Man Cree Nation**

**Notes to the Financial Statements**

**March 31, 2018**

**7. Restricted Cash**

Funds received from the FSIN Gaming Trust Program are deposited directly into an investment account held at a major Canadian financial institution. Fund withdrawn from this investment account are for the purpose of education the members of the Cree Nation. Given the nature of the investment, the balance is not protected under Canadian Deposit Insurance Corporation in the event of bank failure. Management has determined that the resulting credit risk is low.

Balance, March 31, 2017	\$	702,369
Revenue from FSIN Gaming Trust		47,143
Less Trust Monies on Hold (Note 5)	(	35,376)
Investment revenue		4,350
Annual income disbursements to the operating bank account	(	39,374)
Disbursements for investment fees	(	<u>6,034</u> )
Balance, March 31, 2018	\$	<u><u>673,078</u></u>

**Lucky Man Cree Nation**

**Notes to the Financial Statements**

March 31, 2018

**8. Funds Held in Trust**

Capital and revenue trust funds are transferred to the Cree Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the Cree Nation's Council.

	<u>2018</u>	<u>2017</u>
<b>Capital Trust</b>		
Balance, beginning and end of the year	\$ <u>1,400,008</u>	\$ <u>1,400,008</u>
<b>Revenue Trust</b>		
Balance, beginning of the year	148,818	394,443
Land rental revenue	40,270	15,622
Interest revenue	32,517	29,353
Disbursements made	( <u>138,000</u> )	( <u>290,600</u> )
Balance, end of the year	<u>83,605</u>	<u>148,818</u>
Total funds held in trust, end of the year	\$ <u>1,483,613</u>	\$ <u>1,548,826</u>

The Ottawa Trust 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

A request to withdrawn \$138,800 was approved on the Cree Nation's Band Council Resolution (2017/18-05) for Band Council Expenses for all portfolio areas. The funds were transferred from the Ottawa Trust Funds to the Operating Bank Account during this fiscal year.

**Lucky Man Cree Nation**

**Notes to the Financial Statements**

March 31, 2018

**9. Accounts Payable**

	<u>2018</u>	<u>2017</u>
Trade creditors and accrued liabilities	\$ 82,100	\$ 18,778
Advances from members	5,021	3,921
Source deductions payable	4,209	-
Employee benefits	<u>991</u>	<u>-</u>
	\$ 92,321	\$ 22,699
	<u><u>          </u></u>	<u><u>          </u></u>

**10. Unexpended Revenue**

	<u>2018</u>	<u>2017</u>
Education (Schedule B)	\$ -	\$ 3,694
	<u><u>          </u></u>	<u><u>          </u></u>

**11. Loan Facility and Prior Period Adjustment**

A loan facility of \$446,900 from the First Nations Bank of Canada was made available in the fiscal year 2017 to the Cree Nation for the purpose of paying the cost related to the Treaties Annuity Claim against the Crown. As at March 31, 2018, the total amount of drawdown related to the facility is \$301,688 (2017: \$301,688). Prior period financials was restated to include this loan facility along with the associated costs related to the claim.

It is anticipated that the settlement with the Crown will finalize during fiscal year 2020, and a portion of the settlement proceeds will be used to pay off the loan facility.

**12. Tangible Capital Assets**

	2018			2017
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Building	\$ 58,600	\$ 53,808	\$ 4,792	\$ 7,136
Computer	7,917	7,917	-	-
Roads	15,995	15,995	-	-
Infrastructure	26,592	26,592	-	-
Water lines	<u>1,103</u>	<u>1,103</u>	<u>-</u>	<u>-</u>
	\$ 110,207	\$ 105,415	\$ 4,792	\$ 7,136

**Lucky Man Cree Nation**

**Notes to the Financial Statements**

March 31, 2018

**13. Economic Dependence**

The Cree Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the Cree Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

**14. Budgeted Information**

The disclosed budget information was prepared by management and was approved by the Chief and Council of Lucky Man Cree Nation for the 2018 fiscal year. The disclosed budget was required to be presented on the same basis as the actual results.

**15. Indigenous Services Canada**

The Cree Nation has entered into funding arrangements with ISC. The funds are used by the Cree Nation to administer its operations and provide services to its members in accordance with the terms of the funding arrangements. Funding received under these contribution agreements is subjected to repayment if the Cree Nation fails to comply with the terms and conditions of the agreements.

**16. Administration fee**

The Cree Nation has allocated an administration fee expense equal to 10% of the eligible expenditures under the Post-Secondary Education program. The administration fee revenue is recognized under Band Support.

**17. Pension Agreement**

The Cree Nation provides a defined contribution plan for eligible members of its staff. The Cree Nation matches employee's contributions. The amount to be received by employees will be the amount of retirement annuity that could be purchased based on the employee's share of the pension plan at the time of the employee's withdrawal from the plan.

**18. Comparative Figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

**Lucky Man Cree Nation**

**Schedule of Revenue and Expenses for the year ended March 31**

**Schedule A - Band Support**

	<b><u>2018 Budget (Note 14)</u></b>	<b><u>2018 Actual</u></b>	<b><u>2017 Actual</u></b>
<b>Revenue</b>			
Indigenous Services Canada (Note 15)	\$ 115,867	\$ 115,867	\$ 117,920
Administration fee (Note 16)	6,500	8,050	3,899
Expense recoveries	-	250	16,950
Interest	100	109	23
	<u>122,467</u>	<u>124,276</u>	<u>138,792</u>
<b>Expenses</b>			
Wages and benefits	116,245	131,810	130,613
Professional fees	25,000	23,600	25,650
Telephone	15,000	11,418	14,498
Election	2,000	-	12,241
Bad debt	1,000	924	10,000
Travel	10,000	9,351	9,984
Bank charges	3,000	2,923	3,008
Office supplies	5,000	4,183	5,444
Equipment purchases	1,000	880	1,181
Cultural	500	-	300
Meetings	500	1,632	25
Return to agency	-	1,666	-
	<u>179,245</u>	<u>188,387</u>	<u>212,944</u>
<b>Surplus (Deficit) for the year</b>	<b><u>\$ (56,778)</u></b>	<b><u>\$ (64,111)</u></b>	<b><u>\$ (74,152)</u></b>

The accompanying notes are an integral part of these financial statements

**Lucky Man Cree Nation**

**Schedule of Revenue and Expenses for the year ended March 31**

**Schedule B - Education**

	<b><u>2018 Budget (Note 14)</u></b>	<b><u>2018 Actual</u></b>	<b><u>2017 Actual</u></b>
<b>Revenue</b>			
Indigenous Services Canada (Note 15)	\$ 46,577	\$ 46,577	\$ 46,577
<b>Unexpended Revenue</b>			
Prior year	3,694	3,694	-
Current year	-	-	(3,694)
	<u>50,271</u>	<u>50,271</u>	<u>42,883</u>
<b>Expenses</b>			
Student living allowances	25,000	37,050	24,250
Tuition	15,000	23,355	14,234
Administration fee (Note 16)	4,000	6,050	3,899
Graduation	500	100	500
	<u>44,500</u>	<u>66,555</u>	<u>42,883</u>
<b>Surplus (Deficit) for the year</b>	<u><u>\$ 5,771</u></u>	<u><u>\$ (16,284)</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

**Lucky Man Cree Nation**

**Schedule of Revenue and Expenses for the year ended March 31**

**Schedule C - Community Infrastructure**

	<b><u>2018 Budget (Note 14)</u></b>	<b><u>2018 Actual</u></b>	<b><u>2017 Actual</u></b>
<b>Revenue</b>			
Indigenous Services Canada (Note 15)	<b><u>\$ 55,943</u></b>	<b><u>\$ 55,943</u></b>	<b><u>\$ 45,580</u></b>
<b>Expenses</b>			
Repairs	27,000	22,971	18,125
Office Rent	21,000	20,789	20,388
Insurance	2,300	2,443	2,228
Utilities	5,000	5,255	4,707
Administration fee (Note 16)	<u>2,500</u>	<u>2,000</u>	<u>-</u>
	<b><u>57,800</u></b>	<b><u>53,458</u></b>	<b><u>45,448</u></b>
 <b>Surplus (Deficit) for the year</b>	 <b><u><u>\$ (1,857)</u></u></b>	 <b><u><u>\$ 2,485</u></u></b>	 <b><u><u>\$ 132</u></u></b>

The accompanying notes are an integral part of these financial statements

**Lucky Man Cree Nation**

**Schedule of Revenue and Expenses for the year ended March 31**

**Schedule D - Land Development**

	<u>2018 Budget (Note 14)</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
<b>Revenue</b>			
Indigenous Services Canada (Note 15)	\$ 60,504	\$ 60,504	\$ 60,504
Expense recoveries	-	-	-
	<u>60,504</u>	<u>60,504</u>	<u>60,504</u>
<b>Transfer from</b>			
Ottawa Trust Funds (Schedule E)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	<u>70,504</u>	<u>70,504</u>	<u>70,504</u>
<b>Expenses</b>			
Wages and benefits	67,000	67,000	67,000
Travel	<u>2,000</u>	<u>2,200</u>	<u>1,992</u>
	<u>69,000</u>	<u>69,200</u>	<u>68,992</u>
<b>Surplus (Deficit) for the year</b>	<u>\$ 1,504</u>	<u>\$ 1,304</u>	<u>\$ 1,512</u>

The accompanying notes are an integral part of these financial statements



**Lucky Man Cree Nation**

**Schedule of Revenue and Expenses for the year ended March 31**

**Schedule E - Ottawa Trust Funds**

	<u>2018</u> <u>Budget</u> <u>(Note 14)</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>Revenue</b>			
Land lease income	\$ 16,000	\$ 40,270	\$ 15,622
Interest income	30,000	32,517	29,353
	<u>46,000</u>	<u>72,787</u>	<u>44,975</u>
<b>Transfer to</b>			
Land Development (Schedule D)	(10,000)	(10,000)	(10,000)
Health (Schedule F)	(25,000)	(25,000)	(20,000)
Other Project Revenue (Schedule G)	(25,000)	(25,000)	(104,000)
	<u>(14,000)</u>	<u>12,787</u>	<u>(89,025)</u>
<b>Expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Surplus (Deficit) for the year</b>	<u><u>\$ (14,000)</u></u>	<u><u>\$ 12,787</u></u>	<u><u>\$ (89,025)</u></u>

The accompanying notes are an integral part of these financial statements

**Lucky Man Cree Nation**

**Schedule of Revenue and Expenses for the year ended March 31**

**Schedule F - Health**

	<b><u>2018 Budget (Note 14)</u></b>	<b><u>2018 Actual</u></b>	<b><u>2017 Actual</u></b>
<b>Revenue</b>			
Battleford Agency Tribal Council	\$ 10,000	\$ 15,539	\$ 4,048
Battleford Tribal Council	<u>15,000</u>	<u>12,200</u>	<u>14,150</u>
	<u>25,000</u>	<u>27,739</u>	<u>18,198</u>
 <b>Transfer from</b>			
Ottawa Trust Funds (Schedule E)	<u>25,000</u>	<u>25,000</u>	<u>20,000</u>
	<u>50,000</u>	<u>52,739</u>	<u>38,198</u>
 <b>Expenses</b>			
Cultural activities	13,500	13,524	13,650
Salaries and benefits	5,000	-	4,550
Member assistances	6,000	8,199	5,478
Travel	7,000	8,559	6,851
Treaty day	1,500	13,403	1,200
Elder services	1,000	3,500	750
Funerals and compassionate assistance	2,000	7,372	1,300
Wellness supplies	<u>4,000</u>	<u>-</u>	<u>3,895</u>
	<u>40,000</u>	<u>54,557</u>	<u>37,674</u>
 <b>Surplus (Deficit) for the year</b>	<b><u>\$ 10,000</u></b>	<b><u>\$ (1,818)</u></b>	<b><u>\$ 524</u></b>

The accompanying notes are an integral part of these financial statements

**Lucky Man Cree Nation**

**Schedule of Revenue and Expenses for the year ended March 31**

**Schedule G - Other Project Revenue**

	<u>2018 Budget (Note 14)</u>	<u>2018 Actual</u>	<u>2017 Actual (as restated)</u>
<b>Revenue</b>			
First Nations Trust	\$ 45,000	\$ 47,143	\$ 46,606
Investment income	10,000	4,350	38,176
Earnings distribution	15,000	66,000	12,000
Outfitting fees	25,000	13,000	28,000
	<u>95,000</u>	<u>130,493</u>	<u>124,782</u>
<b>Transfer from</b>			
Ottawa Trust Funds (Schedule E)	25,000	25,000	104,000
	<u>120,000</u>	<u>155,493</u>	<u>228,782</u>
<b>Expenses</b>			
Professional fees	70,000	96,745	201,838
Insurance premiums	-	-	121,229
Wages and benefits	19,000	18,900	18,400
Per capita distributions	18,000	21,250	17,845
Bank charges	5,000	6,034	11,032
Honorarium	-	274	-
Meetings	-	4,868	-
Headdress purchases	5,000	-	4,750
Travel	5,000	6,299	3,934
Supplies	2,000	-	1,600
	<u>124,000</u>	<u>154,370</u>	<u>380,628</u>
<b>Surplus (Deficit) for the year</b>	<u><u>\$ (4,000)</u></u>	<u><u>\$ 1,123</u></u>	<u><u>\$ (151,846)</u></u>

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