

LUCKY MAN CREE NATION

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

Lucky Man Cree Nation

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

March 31, 2021

Page	Title
2	Index
3	Management Responsibility
4	Independent Auditor's Report
6	Statement of Financial Position
7	Statement of Operations and Accumulated Surplus
8	Statement of Changes in Net Financial Assets
9	Statement of Changes in Surplus Balances
10	Statement of Cash Flow
11	Notes to the Financial Statements
23	Schedule A – Band Support
24	Schedule B – Education
25	Schedule C – Community Infrastructure
26	Schedule D – Land Development
27	Schedule E – Ottawa Trust Funds
28	Schedule F – Health
29	Schedule G – Other Project Revenue

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 fulfills 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.

Chief Crystal Okemow
Chief of Lucky Man Cree Nation

May 5, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Lucky Man Cree Nation:

Opinion

I have audited the financial statements of **Lucky Man Cree Nation** (the “Cree Nation”), which comprise the statement of financial position as at **March 31, 2021**, and the statements of operations and accumulated surplus, changes in net financial assets, surplus balances, cash flows, and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements present fairly, in all material respects, the financial position of **Lucky Man Cree Nation** as at **March 31, 2021** and the results of its operations, changes in net financial assets, surplus balances, cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Cree Nation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis of my audit opinion.

Other Matters

The supplementary information contained in the accompanying schedules is presented for the purpose of additional information to the membership and Indigenous Services Canada and does not form part of the financial statements. The schedules have not been audited other than in the course of my audit of the financial statements to the extent necessary to allow myself to render an opinion thereon.

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 accounting standards for not-for-profit organizations, 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 Cree Nation’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 Cree Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cree Nation’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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.

As part of an audit in accordance with Canadian generally accepted auditing standards I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Cree 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 Cree Nation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization 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.

I 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 I identify during my audit.

Gabriel Ng CPA P.C. Inc.

Lucky Man Cree Nation

Statement of Financial Position as at March 31

	2021	2020
Financial Assets		
Current Assets		
Cash and cash equivalents (Note 3)		
Cash and cash equivalents (Note 3)	\$ 129,207	\$ 139,193
Accounts receivable (Note 4)	209,998	140,883
Investments (Note 5)	-	-
Restricted cash (Note 6)	878,743	822,274
	<hr/> 1,217,948	<hr/> 1,102,350
Non-Current Assets		
Funds Held in Trust (Note 7)	4,501,000	4,326,990
	<hr/> 5,718,948	<hr/> 5,429,340
Financial Liabilities		
Current Liabilities		
Accounts payable (Note 8)	154,364	119,565
Loan facility (Note 9)	1,136,263	937,225
	<hr/> 1,290,627	<hr/> 1,056,790
Net Financial Assets	4,428,321	4,372,550
Non-Financial Assets		
Tangible capital assets (Note 10)	-	104
Prepaid expenses	3,615	-
	<hr/> 3,615	<hr/> 104
Accumulated Surplus	\$ 4,431,936	\$ 4,372,654
Economic Dependence (Note 11)		

Approved on behalf of Chief and Council

Chief

Councillor

Lucky Man Cree Nation

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

	2021 Budget	2021 Actual	2020 Actual
	(Note 12)		
Revenue			
Indigenous Services Canada (Note 13)	\$ 557,893	\$ 573,584	\$ 305,301
Battlefords Tribal Council	30,000	8,250	70,753
Battlefords Agency Tribal Chiefs	10,000	8,000	-
First Nations Trust	45,000	35,154	44,762
Land lease income	16,000	80,182	103,616
Interest income and earnings distributions	170,100	172,119	256,038
Other income and recoveries	-	35	25,468
Claim proceeds	-	-	2,668,285
Administration fee (Note 14)	6,500	28,761	6,871
	835,493	906,085	3,481,094
Unexpended Revenue			
Prior year	-	-	-
Current year	-	-	-
	835,493	906,085	3,481,094
Expenses			
Band Support (Schedule A)	249,405	176,809	234,836
Education (Schedule B)	62,276	44,845	75,588
Community Infrastructure (Schedule C)	90,032	184,363	71,043
Land Development (Schedule D)	108,000	122,069	84,562
Ottawa Trust Funds (Schedule E)	-	-	-
Health (Schedule F)	40,000	10,647	50,260
Other Project Revenue (Schedule G)	266,400	307,966	463,618
	816,113	846,699	979,907
Surplus (Deficit) Before Other Items	19,380	59,386	2,501,187
Other Income (Expenses)			
Depreciation recorded	(2,344)	(104)	(2,344)
Change in investment equity	-	-	-
	17,036	59,282	2,498,843
Annual Surplus (Deficit)	4,372,654	4,372,654	1,873,811
Accumulated Surplus, Beginning of the Year	\$ 4,389,690	\$ 4,431,936	\$ 4,372,654
Accumulated Surplus, End of the Year	\$ 4,389,690	\$ 4,431,936	\$ 4,372,654

Lucky Man Cree Nation

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

	2021 Budget <small>(Note 12)</small>	2021 Actual	2020 Actual
Surplus (Deficits) for the year before depreciation	\$ 19,380	\$ 59,386	\$ 2,501,187
Changes in Prepaid Expenses	<u>-</u>	<u>(3,615)</u>	<u>386</u>
Increase (Decrease) in Net Financial Assets	19,380	55,771	2,501,573
Balance of Net Financial Assets, beginning of the year	<u>4,372,550</u>	<u>4,372,550</u>	<u>1,870,977</u>
Balance of Net Financial Assets, end of the year	<u>\$ 4,391,930</u>	<u>\$ 4,428,321</u>	<u>\$ 4,372,550</u>

Lucky Man Cree Nation

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

	<u>2021</u>	<u>2020</u>
Surplus, Appropriated for Education		
Surplus, beginning of the year	\$ 702,369	\$ 702,369
Transfer from Unappropriated Surplus	-	-
Surplus, end of the year	702,369	702,369
Surplus, Appropriated for Tangible Capital Assets		
Surplus, beginning of the year	104	2,448
Amortization of tangible capital assets	(104)	(2,344)
Restricted Fund, end of the year	-	104
Surplus, Operating		
Surplus, beginning of the year	3,670,181	1,168,994
Surplus (Deficit) for the year	59,386	2,501,187
Transfer from Unappropriated Surplus	-	-
Surplus, end of the year	3,729,567	3,670,181
Accumulated Surplus	\$ 4,431,936	\$ 4,372,654

Lucky Man Cree Nation

Statement of Cash Flow for the year ended March 31

	2021	2020
Cash provided by (used for) the following activities		
Operating Activities		
Annual surplus (deficit)	\$ 59,282	\$ 2,498,843
Non-cash items		
Amortization	<u>104</u>	<u>2,344</u>
	<u>59,386</u>	<u>2,501,187</u>
Changes in non-cash working capital accounts		
Accounts receivable	(69,115)	10,239
Prepaid expenses	(3,615)	386
Accounts payable	34,799	42,975
Unexpended revenue	<u>-</u>	<u>-</u>
	<u>21,455</u>	<u>2,554,787</u>
Financing Activities		
Increase (Decrease) in funds obtained from loan	<u>199,038</u>	<u>542,530</u>
Investing Activities		
(Increase) Decrease in funds held in trust	<u>(174,010)</u>	<u>(2,857,910)</u>
Increase (Decrease) in Cash Resources	46,483	239,407
Cash Resources, beginning of the year	<u>961,467</u>	<u>722,060</u>
Cash Resources, end of the year	<u>\$ 1,007,950</u>	<u>\$ 961,467</u>
Cash Resources are represented by:		
Cash and Cash Equivalents	\$ 129,207	\$ 139,193
Restricted Cash	<u>878,743</u>	<u>822,274</u>
	<u>\$ 1,007,950</u>	<u>\$ 961,467</u>

Lucky Man Cree Nation

Notes to the Financial Statements

March 31, 2021

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. 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.

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.

Lucky Man Cree Nation

Notes to the Financial Statements

March 31, 2021

2. Significant Accounting Policies (Continued)

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, 2021

2. 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.

Lucky Man Cree Nation

Notes to the Financial Statements

March 31, 2021

2. 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, 2021

2. 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, 2021.

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, 2021.

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, 2021

3. Cash and Cash Equivalents

	<u>2021</u>	<u>2020</u>
Cash on deposit	\$ 133,487	\$ 148,470
Add outstanding deposits	-	-
Less cheques issued and outstanding	(4,280)	(9,277)
	\$ 129,207	\$ 139,193
	<hr/>	<hr/>

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

4. Accounts Receivable

	<u>2021</u>	<u>2020</u>
Members advances	\$ 32,176	\$ 28,215
Indigenous Services Canada	30,000	-
First Nations Trust – Gaming Monies	155,913	120,759
Battlefords Agency Tribal Chiefs	6,833	6,833
Other receivable and recoverable	-	-
Less: Allowances for uncollectible amounts	(14,924)	(14,924)
	\$ 209,998	\$ 140,883
	<hr/>	<hr/>

Lucky Man Cree Nation

Notes to the Financial Statements

March 31, 2021

4. Accounts Receivable (Continued)

Members advances

The following is a breakdown of the outstanding member advances (payable):

	<u>2021</u>	<u>2020</u>
Albert, Crystal	\$ 25,776	\$ 14,787
Bird, Leona	2,504	2,504
Gamble, Shirley	(2,850)	1,108
Okemow, Fonda	2,321	2,321
Okemow, Janet	924	924
Okemow, Joan	(2,717)	83
Okemow, Karen	2,405	2,405
Okemow, Louisa	1,950	1,950
Okemow, Monica	283	483
Okemow, Terrance	<u>1,580</u>	<u>1,650</u>
	<hr/>	<hr/>
	\$ 32,176	\$ 28,215
	<hr/>	<hr/>

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

5. 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, 2021

6. 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, 2019	\$	693,684
Revenue from FSIN Gaming Trust		44,762
Less Trust Monies on Hold (Note 4)	(44,762)
Investment revenue		160,727
Annual income disbursements to the operating bank account	(25,812)
Disbursements for investment fees	(<u>6,325)</u>

Balance, March 31, 2020	\$	822,274
<hr/>		

Balance, March 31, 2020	\$	822,274
Revenue from FSIN Gaming Trust		35,154
Less Trust Monies on Hold (Note 4)	(35,154)
Investment revenue		93,589
Annual income disbursements to the operating bank account	(30,081)
Disbursements for investment fees	(<u>7,039)</u>

Balance, March 31, 2021	\$	878,743
<hr/>		

Lucky Man Cree Nation

Notes to the Financial Statements

March 31, 2021

7. 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>2021</u>	<u>2020</u>
Capital Trust		
Balance, beginning and end of the year	\$ 1,400,008	\$ 1,400,008
Revenue Trust		
Balance, beginning of the year	197,000	69,072
Land rental revenue	103,617	103,617
Interest revenue	24,311	24,311
Disbursements made	-	-
Balance, end of the year	<u>296,428</u>	<u>197,000</u>
Total funds held in trust, end of the year	\$ 1,696,436	\$ 1,597,008

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*.

Lucky Man Cree Nation also established a Legacy Trust, with the funds held with CIBC Private Wealth Management and CIBC Mellon (via Aboriginal Investment Consulting LP). The market value of the funds in those accounts total \$2,804,563 (2019: \$2,729,983) as at year-end.

Lucky Man Cree Nation

Notes to the Financial Statements

March 31, 2021

8. Accounts Payable

	<u>2021</u>	<u>2020</u>
Trade creditors and accrued liabilities	\$ 106,437	\$ 72,836
Advances from members	14,281	13,083
Payable to ISC	<u>33,646</u>	<u>33,646</u>
	\$ 154,364	\$ 119,565

9. Loan Facility

A loan facility from CIBC was made available to the Cree Nation with the Legacy Trust as the underlying security. As of March 31, 2021, the total amount of drawdown related to this facility is \$1,136,263 (2020: \$937,225).

10. Tangible Capital Assets

	2021			2020	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	
Building	\$ 58,600	\$ 58,496	\$ -	\$ 104	
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	\$ 110,103	\$ -	\$ 104	

Depreciation expense of \$104 was taken in the current year. All of the assets are now fully depreciated.

11. 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.

Lucky Man Cree Nation

Notes to the Financial Statements

March 31, 2021

12. 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 2021 fiscal year. The disclosed budget was required to be presented on the same basis as the actual results.

13. 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.

14. Administration fee

The Cree Nation has allocated an administration fee expense equal to 15% of the eligible expenditures under the Post-Secondary Education program as well as Community Infrastructure. The administration fee revenue is recognized under Band Support.

15. 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.

16. Comparative Figures

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

Lucky Man Cree Nation

Notes to the Financial Statements

March 31, 2021

17. Risk Management

Risks and concentrations

The Cree Nation does not believe it is subject to any significant concentration of currency risk.

Cash and cash equivalents are in place with major financial institutions.

The following analysis provides a measure of the Cree Nation's risk exposure as at March 31, 2021.

Liquidity risk

Liquidity risk is the risk that the Cree Nation will encounter difficulty in meeting obligations associated with financial liabilities. The Cree Nation is exposed to this risk mainly in respect of its accounts payable. This risk is actively monitored by management.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Cree Nation's main credit risks relate to its advance receivable. This risk is mitigated by having the individuals who requests an advance to have a repayment plan in place.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Cree Nation is exposed to interest rate risk on its fixed and floating interest rate financial instruments, which includes cash and cash equivalents, term deposits, and term debt. Fixed-interest instruments subject the Cree Nation to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating rate instruments subject the Corporation to related cash flow risk.

Lucky Man Cree Nation

Schedule of Revenue and Expenses for the year ended March 31

Schedule A - Band Support

	2021 Budget (Note 12)	2021 Actual	2020 Actual
Revenue			
Indigenous Services Canada (Note 13)	\$ 240,615	\$ 240,615	\$ 133,037
Administration fee (Note 14)	6,500	28,761	6,871
Expense recoveries	-	35	22,196
Interest	100	53	-
	247,215	269,464	162,104
Expenses			
Wages and benefits	119,905	118,771	151,466
Professional fees	55,000	-	43,640
Telephone	8,000	-	9,744
Election	8,000	9,500	-
Travel	5,000	-	4,327
Bank charges	3,000	-	3,999
Office supplies	5,000	-	5,318
Other supplies	25,000	27,771	15,865
Member assistance	20,000	17,650	-
Meetings	500	117	477
Administration fee	-	3,000	-
Return to agency	-	-	-
	249,405	176,809	234,836
Surplus (Deficit) for the year	\$ (2,190)	\$ 92,655	\$ (72,732)

Lucky Man Cree Nation

Schedule of Revenue and Expenses for the year ended March 31

Schedule B - Education

	2021 Budget	2021 Actual	2020 Actual
	(Note 12)		
Revenue			
Indigenous Services Canada (Note 13)	\$ 62,276	\$ 62,276	\$ 46,577
Unexpended Revenue			
Prior year	-	-	-
Current year	-	-	-
	62,276	62,276	46,577
Expenses			
Student living allowances	32,185	30,712	40,600
Other assistance	-	2,216	-
Tuition	20,000	1,451	27,367
Administration fee (Note 14)	9,341	10,466	6,871
Graduation	750	-	750
	62,276	44,845	75,588
Surplus (Deficit) for the year	\$ -	\$ 17,431	\$ (29,011)

Lucky Man Cree Nation

Schedule of Revenue and Expenses for the year ended March 31

Schedule C - Community Infrastructure

	2021 Budget	2021 Actual	2020 Actual
	(Note 12)		
Revenue			
Indigenous Services Canada (Note 13)	\$ 162,207	\$ 159,212	\$ 58,943
Expenses			
Repairs	32,689	18,456	39,500
Office Rent	35,000	34,968	21,559
Insurance	3,200	3,363	2,766
Utilities	10,000	1,678	4,218
Training	3,000	-	3,000
Storage	2,000	286	-
Wages and benefits	1,643	37,282	-
Supplies	-	300	-
Travel	-	4,860	-
Office supplies	-	4,471	-
Professional fees	-	56,061	-
Telecommunications	-	8,252	-
Bank charges	-	2,082	-
Administration fee (Note 14)	2,500	12,304	-
	90,032	184,363	71,043
Surplus (Deficit) for the year	\$ 72,175	\$ (25,151)	\$ (12,100)

Lucky Man Cree Nation

Schedule of Revenue and Expenses for the year ended March 31

Schedule D - Land Development

	2021 Budget	2021 Actual	2020 Actual
	(Note 12)		
Revenue			
Indigenous Services Canada (Note 13)	\$ 86,555	\$ 86,555	\$ 60,504
Expense recoveries	-	-	-
	<u>86,555</u>	<u>86,555</u>	<u>60,504</u>
Transfer from			
Ottawa Trust Funds (Schedule E)	-	-	-
	<u>86,555</u>	<u>86,555</u>	<u>60,504</u>
Expenses			
Wages and benefits	45,000	64	41,142
Professional fees	60,000	120,992	40,473
Supplies	1,000	-	-
Travel	2,000	1,013	2,947
	<u>108,000</u>	<u>122,069</u>	<u>84,562</u>
Surplus (Deficit) for the year	<u>\$ (21,445)</u>	<u>\$ (35,514)</u>	<u>\$ (24,058)</u>

Lucky Man Cree Nation

Schedule of Revenue and Expenses for the year ended March 31

Schedule E - Ottawa Trust Funds

	2021 Budget	2021 Actual	2020 Actual
	(Note 12)		
Revenue			
Land lease income	\$ 16,000	\$ 80,182	\$ 103,616
Interest income	30,000	19,247	24,311
	<u>46,000</u>	<u>99,429</u>	<u>127,927</u>
Transfer to			
Land Development (Schedule D)	-	-	-
Health (Schedule F)	-	-	-
Other Project Revenue (Schedule G)	-	-	-
	<u>46,000</u>	<u>99,429</u>	<u>127,927</u>
Expenses			
Surplus (Deficit) for the year	\$ 46,000	\$ 99,429	\$ 127,927

Lucky Man Cree Nation

Schedule of Revenue and Expenses for the year ended March 31

Schedule F - Health

	2021 Budget	2021 Actual	2020 Actual
	(Note 12)		
Revenue			
Battleford Agency Tribal Council	\$ 10,000	\$ 8,000	\$ -
Keyanow	-	-	3,272
Battleford Tribal Council	<u>30,000</u>	<u>8,250</u>	<u>70,753</u>
	<u>40,000</u>	<u>16,250</u>	<u>74,025</u>
 Transfer from			
Ottawa Trust Funds (Schedule E)	<u>-</u>	<u>-</u>	<u>-</u>
	<u>40,000</u>	<u>16,250</u>	<u>74,025</u>
 Expenses			
Cultural activities	13,500	500	16,672
Salaries and benefits	5,000	-	-
Member assistances	6,000	1,240	3,957
Travel	7,000	5,136	9,263
Treaty day	1,500	-	387
Elder services	1,000	580	6,507
Conference and meetings	2,000	-	24
Wellness supplies	4,000	200	13,450
Administration fee	-	2,991	-
	<u>40,000</u>	<u>10,647</u>	<u>50,260</u>
 Surplus (Deficit) for the year	<u>\$ -</u>	<u>\$ 5,603</u>	<u>\$ 23,765</u>

Lucky Man Cree Nation

Schedule of Revenue and Expenses for the year ended March 31

Schedule G - Other Project Revenue

	2021 Budget	2021 Actual	2020 Actual
	(Note 12)		
Revenue			
Indigenous Services Canada (Note 13)	\$ 6,240	\$ 24,926	\$ 6,240
First Nations Trust	45,000	35,154	44,762
Investment income	100,000	138,088	160,727
Earnings distribution	15,000	5,603	71,000
Outfitting fees	25,000	9,128	-
Claim proceeds	-	-	2,668,285
Expense recoveries	-	-	-
	191,240	212,899	2,951,014
Transfer from			
Ottawa Trust Funds (Schedule E)	-	-	-
	191,240	212,899	2,951,014
Expenses			
Professional fees	155,000	203,838	238,428
Wages and benefits	70,000	72,692	77,524
Per capita distributions	-	-	89,000
Honorarium	18,900	15,950	18,900
Bank charges	6,500	7,039	15,351
Funerals	10,000	8,324	14,622
Meetings	-	-	2,618
Commemoration	-	-	5,700
Travel	6,000	123	925
Supplies	-	-	550
	266,400	307,966	463,618
Surplus (Deficit) for the year	\$ (75,160)	\$ (95,067)	\$ 2,487,396