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RED PHEASANT CREE NATION  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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# RED PHEASANT CREE NATION

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MARCH 31, 2021

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Red Pheasant Cree Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada 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.

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

Chief and 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 auditors' report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Red Pheasant Cree Nation and meet when required.

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

## INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership  
Red Pheasant Cree Nation

### Opinion

We have audited the accompanying consolidated financial statements of Red Pheasant Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, change in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Red Pheasant Cree Nation as at March 31, 2021, and its consolidated financial performance 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 Red Pheasant Cree 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 these 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing Red Pheasant 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 Red Pheasant Cree Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Red Pheasant Cree Nation's financial reporting process.

*(continued.....)*

### **Auditors' Responsibility for the Audit of the Consolidated 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.

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 Red Pheasant 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 Red Pheasant Cree 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 Red Pheasant Cree 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.

*Baker Tilly HMA LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
February 15, 2022

# RED PHEASANT CREE NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2021	2020
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### FINANCIAL ASSETS

Cash	\$ 541,972	\$ 414,226
Restricted cash (Note 3)	1,219,472	599,516
Accounts receivable (Note 4)	208,637	542,143
Investments (Note 5)	<u>3,858,986</u>	<u>13,435</u>
	<u>5,829,067</u>	<u>1,569,320</u>

### LIABILITIES

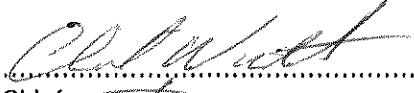
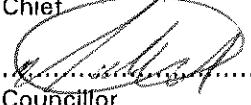
Accounts payable and accrued liabilities (Note 6)	2,125,262	684,023
Repayable advances - CMHC	860,302	
Deferred revenue (Note 7)	615,282	932,821
Long term debt (Note 9)	<u>18,397,788</u>	<u>9,438,184</u>
	<u>21,138,332</u>	<u>11,915,330</u>
NET DEBT	<u>(15,309,265)</u>	<u>(10,346,010)</u>

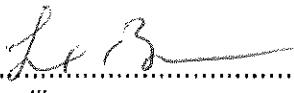
### NON-FINANCIAL ASSETS

TANGIBLE CAPITAL ASSETS (Note 18)	21,207,447	15,322,890
PREPAID EXPENSES	73,732	56,515
CONSTRUCTION IN PROGRESS	<u>-</u>	<u>859,757</u>
	<u>21,281,179</u>	<u>16,239,162</u>
ACCUMULATED SURPLUS (Note 6)	<u>\$ 5,971,914</u>	<u>\$ 5,893,152</u>

### CONTINGENT LIABILITIES (Note 10)

Approved by Chief and Council

  
Chief  
  
Councillor  
Councillor

  
Councillor  
  
Councillor  
Councillor

# RED PHEASANT CREE NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2021	2020
<b>REVENUE</b>			
Indigenous Services Canada	\$12,760,000	<b>\$12,760,247</b>	\$10,255,931
Treaty Six Education Council	22,000	<b>22,278</b>	49,576
Ottawa Trust	45,000	<b>45,000</b>	100,000
Battleford Tribal Council	135,000	<b>135,743</b>	248,716
Battle River Treaty 6 Health Centre Inc.			270,275
Canada Mortgage and Housing Corporation	154,000	<b>154,019</b>	77,887
First Nation Gaming Trust	545,000	<b>547,768</b>	753,183
Saskatchewan Indian Institute of Technologies	280,000	<b>279,264</b>	169,923
Other revenue	1,650,000	<b>1,645,571</b>	2,742,207
Deferred from prior year	932,000	<b>932,821</b>	44,381
Deferred to next year	( 615,000)	( 615,282)	( 932,821)
Recovered - ISC	<u>—</u>	<u>—</u>	<u>( 41,905)</u>
	<b><u>15,908,000</u></b>	<b><u>15,907,429</u></b>	<b><u>13,737,353</u></b>
<b>EXPENDITURES</b>			
Administration	325,000	<b>324,157</b>	486,925
Education	5,400,000	<b>5,406,605</b>	4,468,680
Reserves	90,000	<b>89,190</b>	100,443
Community wellness	2,800,000	<b>2,802,861</b>	1,219,055
Infrastructure	1,070,000	<b>1,067,900</b>	952,837
First Nation programs	1,810,000	<b>1,808,962</b>	1,891,278
Capital projects	1,950,000	<b>1,947,294</b>	843,910
Community and economic development	2,020,000	<b>2,019,141</b>	3,054,537
Housing	<u>325,000</u>	<u>323,992</u>	<u>102,886</u>
	<b><u>15,790,000</u></b>	<b><u>15,790,102</u></b>	<b><u>13,120,551</u></b>
ANNUAL SURPLUS	\$ <u>118,000</u>	\$ <u>117,327</u>	\$ <u>616,802</u>

# RED PHEASANT CREE NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2021	2020
ANNUAL SURPLUS	\$ 118,000	\$ 117,327	\$ 616,802
Acquisition of tangible capital assets	( 7,300,000)	( 7,323,871)	( 6,616,442)
Amortization of tangible capital assets	<u>1,440,000</u>	<u>1,439,314</u>	<u>1,001,046</u>
	( 5,860,000)	( 5,884,557)	( 5,615,396)
(Acquisition) use of construction in progress	<u>860,000</u>	<u>859,757</u>	( 666,245)
(Acquisition) use of prepaid expenses	( 17,000)	( 17,217)	2,969
Ottawa trust revenue recorded	6,500	<b>6,435</b>	97,122
Ottawa trust disbursements received	( 45,000)	( 45,000)	( 100,000)
	( 38,500)	( 38,565)	( 2,878)
CHANGE IN NET DEBT FOR YEAR	( 4,937,500)	( 4,963,255)	( 5,664,748)
NET DEBT, <i>beginning of year</i>	( 15,309,265)	( 10,346,010)	( 4,681,262)
NET DEBT, <i>end of year</i>	<u>\$ ( 20,246,765)</u>	<u>\$ ( 15,309,265)</u>	<u>\$ ( 10,346,010)</u>

# RED PHEASANT CREE NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Cash received from funding agencies	\$ 14,277,826	\$ 11,728,238
Cash received from other sources	1,349,786	2,835,299
Cash paid to suppliers and other	( 7,962,138)	( 8,898,879)
Cash paid to employees	( 3,495,333)	( 2,913,660)
Interest paid	( 313,755)	( 347,957)
	<u>3,856,386</u>	<u>2,403,041</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	( 7,323,871)	( 6,616,442)
Purchase of construction in progress	( 666,246)	
Purchase of investments	( 3,845,550)	-
Ottawa trust - net	( 38,565)	( 2,879)
	<u>(11,207,986)</u>	<u>( 7,285,567)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	8,349,427	8,776,247
Repayment of long-term debt	( 250,125)	( 3,325,298)
	<u>8,099,302</u>	<u>5,450,949</u>
NET INCREASE IN CASH DURING YEAR	<b>747,702</b>	568,423
CASH, <i>beginning of year</i>	<u>1,013,742</u>	<u>445,319</u>
CASH, <i>end of year</i>	<b><u>\$ 1,761,444</u></b>	<b><u>\$ 1,013,742</u></b>
<b>CASH COMPRISED OF</b>		
Cash	\$ 541,972	\$ 414,226
Restricted funds	<u>1,219,472</u>	<u>599,516</u>
	<b><u>\$ 1,761,444</u></b>	<b><u>\$ 1,013,742</u></b>

# RED PHEASANT CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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### 1. OPERATIONS

Red Pheasant Cree Nation ("the Nation") is located in the province of Saskatchewan, and provides various services to its members. The Nation's financial reporting includes all related entities which are accountable to the Nation and are either owned or controlled by the Nation.

### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including significant accounting policies.

#### *REPORTING ENTITY*

These consolidated financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation;

- Red Pheasant Cree Nation Administration
- Red Pheasant Cree Nation Education Inc.
- Red Pheasant Cree Nation Housing Authority.
- Red Pheasant Cree Nation Eagle Hills Daycare Centre Inc.
- Red Pheasant Cree Nation Developments GP Corporation

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.

#### *BASIS OF PRESENTATION*

Sources of revenue and expenses are recorded using 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 the legal obligation to pay.

#### *CASH AND CASH EQUIVALENTS*

Cash sources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevents its use for current purposes is included in restricted cash.

#### *FUNDS HELD IN OTTAWA TRUST*

Funds held in the Ottawa Trust Fund on behalf of Cree Nation members by the Government of Canada are reported as restricted cash. Trust monies consists of:

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

#### *INVESTMENTS*

Investments are initially recorded and reported at cost.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2021****2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)******TANGIBLE CAPITAL ASSETS***

Tangible capital assets are initially recorded at cost based on historical cost accounting records.

Tangible capital assets are amortized annually using the declining balance method (except where noted) at rates intended to amortize the cost of the assets over their estimated useful lives:

Buildings	40 years	straight line
Equipment	20%	declining balance
Computer equipment	50%	declining balance
Vehicles	30%	declining balance
Furniture and fixtures	20%	declining balance
Mobile homes	25 years	straight line
Building improvements	40 years	straight line
Social housing	25 years	straight line
Infrastructure	25 years	straight line
Leased equipment	5 years	straight line

In the year of acquisition, amortization is taken at one-half of the above rates.

***NET DEBT***

The Cree Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Cree Nation is determined by its liabilities less its financial assets.

***LONG-LIVED ASSETS***

Long-lived assets consists of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Cree Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of the asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in the statement of operations for the year in which the asset becomes impaired.

***NON-FINANCIAL ASSETS***

The Cree Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

***NET DEBT***

The Cree Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Cree Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2021****2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)******REVENUE RECOGNITION***

Government transfer revenue is recognized as it becomes receivable under the terms of applicable agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the statement of financial position in the year of receipt, and is matched with the related department expenses in the year of their occurrence.

Other revenue is recognized by the Cree Nation when services are provided or goods are shipped.

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

***EMPLOYEE FUTURE BENEFITS***

The Cree Nation's employee future benefit program consists of a defined contribution pension plan. Nation contributions to the defined contribution plan are expensed as incurred.

***PROVISION FOR SITE REHABILITATION***

Environmental law requires appropriate closure and post-closure care of landfill sites. This would include covering and landscaping of the site, ongoing environmental monitoring, site inspection and maintenance. No liability has been recorded as of March 31, 2021 as funding from agencies will offset any cost associated with the closure of landfill sites.

***SEGMENTS***

The Cree Nation conducts its business through nine reportable segments as identified in Note 13. These operating segments are established by senior management to facilitate the achievement of the 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.

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

***FINANCIAL INSTRUMENTS***

Financial instruments include cash, investments, accounts receivable, accounts payable and accrued liabilities. Unless otherwise stated, it is management's opinion that Red Pheasant Cree Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise stated, the carrying value of the financial assets and liabilities approximates their fair value.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)***MEASUREMENT UNCERTAINTY**

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after estimates as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Inventory is stated after provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

## 3. RESTRICTED CASH

	2021	2020
Secured Revenues Trust Account - First Nation Finance Authority	\$ 784,684	\$ 410,594
School Project - RBC Current Account	281,359	
Ottawa Trust	42,775	81,340
Funded reserves - CMHC	<u>110,654</u>	<u>107,582</u>
	<u><u>\$ 1,219,472</u></u>	<u><u>\$ 599,516</u></u>

## 4. ACCOUNTS RECEIVABLE

	2021	2020
Trade receivable	\$	\$ 324,949
Indigenous Services Canada	158,400	158,400
Canada Mortgage and Housing Corporation	14,524	6,490
The Saskatchewan Indian training Assessment Group (SITAG)	34,021	33,411
Battle River Treaty 6 Health Centre Inc.		6,539
Treaty Six Education Council Inc.	<u>1,692</u>	<u>12,354</u>
	<u><u>\$ 208,637</u></u>	<u><u>\$ 542,143</u></u>

## 5. INVESTMENTS

Investment in Centex	\$ 3,698,528	\$
Investment in Cannabis Store	147,023	
BATC Investments Ltd.	13,335	13,335
Miskiswi Oilfield Services Ltd.	<u>100</u>	<u>100</u>
	<u><u>\$ 3,858,986</u></u>	<u><u>\$ 13,435</u></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade payables and accrued liabilities	\$ 2,107,378	\$ 573,877
Indigenous Services Canada	16,628	87,140
Payroll liabilities	1,256	23,006
	<u><u>\$ 2,125,262</u></u>	<u><u>\$ 684,023</u></u>

## 7. DEFERRED REVENUE

	2021	2020
Indigenous Services Canada		
Elementry School	\$ 407,736	\$
Secondary Education	33,282	
NFR Post Secondary	124,000	
Post Secondary Student Support	41,000	
Major Capital Design Construction	9,264	
School Renovations		820,000
Water < 1.5M		80,000
Jordan's Principle		22,945
Feasibility Study	-	9,876
	<u><u>\$ 615,282</u></u>	<u><u>\$ 932,821</u></u>

## 8. ACCUMULATED SURPLUS

	2021	2020
Unrestricted	\$ 5,929,138	\$ 5,811,811
Restricted- Ottawa Trust	<u>42,776</u>	<u>81,341</u>
	<u><u>\$ 5,971,914</u></u>	<u><u>\$ 5,893,152</u></u>

## UNRESTRICTED

	2021	2020
Opening balance	\$ 5,811,811	\$ 5,195,009
Annual surplus	<u>117,327</u>	<u>616,802</u>
	<u><u>\$ 5,929,138</u></u>	<u><u>\$ 5,811,811</u></u>

## RESTRICTED - OTTAWA TRUST

	2021	2020
Opening balance	\$ 81,340	\$ 84,219
Income - net of disbursements	<u>(38,564)</u>	<u>(2,878)</u>
	<u><u>\$ 42,776</u></u>	<u><u>\$ 81,341</u></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

## 9. LONG TERM DEBT

	2021	2020
First Nation Finance Authority - demand loan repayable in monthly installments of \$35,997 including interest at 2.72% compounded monthly. Secured by First Nations Trust revenue and fuel and tobacco tax rebates.	\$ 7,951,471	\$ 8,110,000
First Nation Finance Authority - demand loan repayable in monthly installments of \$25,766 including interest at 1.90% compounded monthly. Secured by First Nations Trust revenue and fuel and tobacco tax rebates.	7,377,240	
CMHC - repayable in monthly installments of \$6,011. Interest at 1.48% compounded monthly. Secured by a loan guarantee from Indigenous and Northern Affairs Canada.	721,702	782,714
CMHC - repayable in monthly installments of \$4,638. Interest at 0.98% compounded monthly. Secured by a loan guarantee from Indigenous and Northern Affairs Canada.	731,954	
CMHC - repayable in monthly installments of \$2,795. Interest at 0.71% compounded monthly. Secured by a loan guarantee from Indigenous and Northern Affairs Canada.	467,023	
Maurice Law - unencumbered interest free loan, repayable from the proceeds of settlement from the treaty annuities claim.	600,000	350,000
John Deere Capital Lease - monthly lease payments \$4,195. Implicit interest a 5.29% per annum.	83,744	128,365
John Deere Capital Lease - monthly lease payments \$2,123. Implicit interest a 2.96% per annum.	17,906	42,457
John Deere Capital Lease - monthly lease payments \$4,195. Implicit interest a 3.25% per annum.	15,023	24,648
Ford Credit - monthly lease payments \$1,198. Implicit interest a 1.99% per annum.	49,652	
Ford Credit - monthly lease payments \$1,549. Implicit interest a 6.16% per annum.	44,249	
Ford Credit - monthly lease payments \$11,842. Implicit interest a 6.92% per annum.	337,824	-
	<u>\$ 18,397,788</u>	<u>\$ 9,438,184</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2021****9. LONG TERM DEBT *(continued)***

The estimated annual principal payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2022	\$ 762,153
2023	739,851
2024	660,415
2025	571,543
2026	574,905
Thereafter	<u>15,088,921</u>
	<u><u>\$18,397,788</u></u>

**10. CONTINGENT LIABILITIES**

The Nation is subject to funding recoveries according to their agreements with federal government agencies. At year-end, it was not yet determined to what extent any funding amounts related to the year ending March 31, 2021 might be recovered by these agencies.

A claim has been filed with the Court of Queen's Bench and the outcome was not certain as of March 31, 2021. Red Pheasant Cree Nation versus Downer Holdings Inc. and D.C. Gravel Inc. The Plaintiffs have commenced an action against the Nation for the sum of \$285,000. Following a Trial in the Court of Queen's Bench in September 2012, a portion of the claim was found to be unenforceable. A portion of the claim remains unresolved totaling sums in excess of \$50,000. The First Nation has counter-claimed against the Plaintiffs in the sum of \$4,281,500. The action is currently dormant.

Mr. Peyachew - Transportation Clerk retired on July 31, 2019 and made a claim for 15 years of owed vacation pay totaling \$60,000. Mr. Peyachew is limited to a claim for two years of vacation pay if able to establish that it is owing to him. The action had not commenced as at the balance sheet date.

A claim has been filed by Mary Linda Whitford and Alicia Moosomin with the Federal Court of Canada against Red Pheasant Cree Nation Council to set aside the election results of March 2020 election. The total value of the claim for costs could be in the range of \$250,000 and the outcome was not certain as of March 31, 2021.

**11. SUBSEQUENT EVENT****COVID-19**

Since March 31, 2021, the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies around the world resulting in economic downturn. As the impact of COVID-19 continue, there could be further impact on the First Nation, its members, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the First Nation's assets and future ability to deliver services and projects.

The duration and impact of COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and the severity of these developments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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### 12. ECONOMIC DEPENDENCE

The Nation receives a majority of its revenue from Indigenous Services Canada 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 Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

### 13. SEGMENTS

The Nation has nine reportable segments. These segments are differentiated by the major activities or services they provide. The Nation's segments are as follows:

**Administration** - includes administration and governance activities.

**Education** - includes the operations of the education programs

**Infrastructure** - includes improving and maintenance of the Community and its infrastructure.

**Capital Projects** - includes activities related to major improvements and renovations in the Community.

**Community Wellness** - reports on the Cree Nation's funding related to health and wellness.

**Community and Economic Development** - includes activities related to the economic development of the community, including its commercial operations.

**Housing** - includes activities related to the development and sustainment of on-reserve housing.

**First Nation programs** - activities include delivering recreational activities.

**Reserves** - includes resources that are to be used in the case of emergency.

### 14. BUDGET INFORMATION

The disclosed budget information has been approved by the Chief and Council of Red Pheasant Cree Nation. The budget figures have not been audited, reviewed or otherwise verified and consequently we do not express an opinion on them.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

## 15. RECONCILIATION OF ISC FUNDING

	2021	2020
ISC funding per financial statements	<u>\$13,077,786</u>	\$ 9,367,941
Less: prior year deferred revenue		
ISC - Feasibility Study	( 9,876)	( 44,831)
ISC - Jordan's Principle	( 22,945)	
ISC - School renovations	( 820,000)	
ISC - Water < 1.5M	( 80,000)	-
	<u>( 932,821)</u>	( 44,831)
Add: current year deferred revenue		
ISC - Elementry School	407,736	
ISC - Secondary Education	33,282	
ISC - NFR Post Secondary	124,000	
ISC - Post Secondary Student Support	41,000	
ISC - Major Capital Design Construction	9,264	
ISC - Feasibility Study	9,876	
ISC - Jordan's Principle	22,945	
ISC - School renovations	820,000	
ISC - Water < 1.5M	- 80,000	
	<u>615,282</u>	<u>932,821</u>
ISC funding per funding confirmation	<u>\$12,760,247</u>	<u>\$10,255,931</u>

## 16. CONSOLIDATED EXPENDITURES BY OBJECT

	2021	2020
Amortization	\$ 1,439,314	\$ 1,001,046
Bank charges and interest	313,755	347,957
Community support	1,201,485	1,676,124
Compensation	3,495,333	2,913,660
Contracts	3,021,720	1,637,347
Office and administration	366,776	165,203
Professional fees	812,440	967,136
Purchased goods and services	1,588,929	1,436,095
Repairs and maintenance	784,887	719,506
Student support	1,747,008	1,498,402
Training	148,313	137,144
Travel and accommodations	<u>870,142</u>	<u>620,931</u>
	<u>\$15,790,102</u>	<u>\$13,120,551</u>

## 17. COMPARATIVE FIGURES

Certain prior year's comparative amounts have been reclassified where necessary to conform to the presentation adopted for the current year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2021**

### 18. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total	Total
							2021	2020
Buildings	\$ 6,745,093	\$ 443,000	\$ 7,188,093	\$ 2,194,838	\$ 179,702	\$ 2,374,540	\$ 4,813,553	\$ 4,550,255
CMHC Housing	1,802,101	1,221,368	3,023,469	531,679	113,040	644,719	2,378,750	1,270,422
Infrastructure	6,633,096	3,900,000	10,533,096	3,020,219	263,327	3,283,546	7,249,550	3,612,877
Equipment	3,381,113	356,709	3,737,822	1,520,108	414,572	1,934,680	1,803,142	1,861,005
Farm Equipment	152,137	95,038	247,175	15,213	36,889	52,102	195,073	136,924
Band Hall	1,373,405		1,373,405	410,305	34,335	444,640	928,765	963,100
Arena	2,221,683		2,221,683	1,487,538	55,542	1,543,080	678,603	734,145
Social Housing	6,405,128		6,405,128	4,659,199	160,128	4,819,327	1,585,801	1,745,929
Mobile Homes	531,105	588,080	1,119,185	180,739	44,767	225,506	893,679	350,366
Vehicles	349,262	719,676	1,068,938	252,395	137,012	389,407	679,531	96,867
Land	1,000	-	1,000	-	-	-	1,000	1,000
	<u>\$ 29,595,123</u>	<u>\$ 7,323,871</u>	<u>\$ 36,918,994</u>	<u>\$ 14,272,233</u>	<u>\$ 1,439,314</u>	<u>\$ 15,711,547</u>	<u>\$ 21,207,447</u>	<u>\$ 15,322,890</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

19. SEGMENTED DISCLOSURE	Administration		Reserves		Community Wellness	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Federal Government						
ISC	\$ 412,578	\$ 412,578	\$ 95,182	\$ 95,182	\$ 3,058,390	\$ 1,131,864
FNIHB						
CMHC						
ISC recovery	-	(41,905)	-	-	-	-
Subtotal	<u>412,578</u>	<u>370,673</u>	<u>95,182</u>	<u>95,182</u>	<u>3,058,390</u>	<u>1,131,864</u>
Other revenue	-	-	-	-	<u>113,027</u>	<u>84,289</u>
Total revenue	<u>412,578</u>	<u>370,673</u>	<u>95,182</u>	<u>95,182</u>	<u>3,171,417</u>	<u>1,216,153</u>
Expenditures						
Amortization						
Debt servicing	20,952	28,232				
Other	86,236	251,643	22,545	32,185	2,002,795	681,133
Salaries and benefits	<u>216,969</u>	<u>207,050</u>	<u>66,645</u>	<u>68,258</u>	<u>800,066</u>	<u>537,922</u>
Total expenditures	<u>324,157</u>	<u>486,925</u>	<u>89,190</u>	<u>100,443</u>	<u>2,802,861</u>	<u>1,219,055</u>
Surplus (Deficit)	<u>\$ 88,421</u>	<u>\$(116,252)</u>	<u>\$ 5,992</u>	<u>\$(5,261)</u>	<u>\$ 368,556</u>	<u>\$(2,902)</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

	Infrastructure		First Nation Programs		Capital Projects	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Federal Government						
ISC	\$ 868,204	\$ 963,361			\$ 1,165,131	\$ 350,000
FNIHB						
CMHC						
Deferred (to) from next year	80,000	( 80,000)				
ISC recovery	-	-	-	-	-	-
Subtotal	<u>948,204</u>	<u>883,361</u>			<u>1,165,131</u>	<u>350,000</u>
Other revenue	-	-	<u>2,131,309</u>	<u>2,402,421</u>	<u>133,745</u>	-
Total revenue	<u>948,204</u>	<u>883,361</u>	<u>2,131,309</u>	<u>2,402,421</u>	<u>1,298,876</u>	<u>350,000</u>
<b>Expenditures</b>						
Amortization	<u>120,154</u>	<u>91,892</u>			<u>1,058,200</u>	<u>827,024</u>
Debt servicing			230,140	288,560	23,786	
Other	<u>780,033</u>	<u>756,988</u>	<u>1,284,198</u>	<u>1,363,766</u>	<u>865,308</u>	<u>16,886</u>
Salaries and benefits	<u>167,713</u>	<u>103,957</u>	<u>294,624</u>	<u>238,952</u>	-	-
Total expenditures	<u>1,067,900</u>	<u>952,837</u>	<u>1,808,962</u>	<u>1,891,278</u>	<u>1,947,294</u>	<u>843,910</u>
Surplus (Deficit)	<u>\$( 119,696)</u>	<u>\$( 69,476)</u>	<u>\$ 322,347</u>	<u>\$ 511,143</u>	<u>\$( 648,418)</u>	<u>\$( 493,910)</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

	Education		Community and Economic Development		Housing		TOTAL	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues								
Federal Government								
ISC	\$ 5,308,641	\$ 5,576,416	\$ 1,852,121	\$ 1,726,530	\$	\$	\$ 12,760,247	\$ 10,255,931
FNIHB								
CMHC					154,019	77,887	154,019	77,887
Deferred (to) from next year	237,539	( 808,440)					317,539	( 888,440)
ISC recovery	-	-	-	-	-	-	-	( 41,905)
Subtotal	5,546,180	4,767,976	1,852,121	1,726,530	154,019	77,887	13,231,805	9,403,473
Other revenue	52,566	165,831	188,262	1,681,339	56,715	-	2,675,624	4,333,880
Total revenue	5,598,746	4,933,807	2,040,383	3,407,869	210,734	77,887	15,907,429	13,737,353
Expenditures								
Amortization	87,843	6,856	60,077	15,215	113,040	60,059	1,439,314	1,001,046
Debt servicing	12,865	2,805	4,480	16,300	21,532	12,060	313,755	347,957
Other	3,524,072	2,912,816	1,787,093	2,811,704	189,420	30,767	10,541,700	8,857,888
Salaries and benefits	1,781,825	1,546,203	167,491	211,318	-	-	3,495,333	2,913,660
Total expenditures	5,406,605	4,468,680	2,019,141	3,054,537	323,992	102,886	15,790,102	13,120,551
Surplus (Deficit)	\$ 192,141	\$ 465,127	\$ 21,242	\$ 353,332	\$ ( 113,258)	\$ ( 24,999)	\$ 117,327	\$ 616,802