

# **Shoal Lake Cree Nation**

**Financial Statements**

**March 31, 2020**

# **Shoal Lake Cree Nation**

## Management's Responsibility for Financial Reporting

March 31, 2020

The financial statements have been prepared by management in accordance with the Public Sector Accounting Standards (PSAS) of the Chartered Professional Accountants of Canada (CPA) and the reporting requirements of the funding agreement with Indigenous Services Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the presentation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as 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 review the financial statements and the external auditors' report.

McClelland Debusschere CPA PC Inc., an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

---

### **Signature on file**

Shoal Lake Cree Nation Chief

---

### **Signature on file**

Director of Finance



# McClelland Debusschere

Chartered Professional Accountants

Assurance Tax Advisory

## Independent Auditors' Report

---

To the Members  
Shoal Lake Cree Nation

### **Opinion**

We have audited the financial statements of Shoal Lake Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2020 and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Shoal Lake Cree Nation as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with the Public Sector Accounting Standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted accounting standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company 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 Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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



# McClelland Debusschere

Chartered Professional Accountants  
Assurance Tax Advisory

## **Independent Auditors' Report**

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

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

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

*McClelland Debusschere  
CPA PC INC*

Saskatoon, SK  
January 26, 2022

Chartered Professional Accountants

**Shoal Lake Cree Nation**  
**Consolidated Statement of Financial Position**  
**March 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>Financial Assets</b>		
Restricted assets (Note 2)	\$ 1,316,142	\$ 595,862
Accounts receivable (Note 3)	540,969	484,674
Trust funds held by federal government (Note 4)	646	36,473
Investments in Government Partnerships (Note 5)	<b>1,757,856</b>	1,727,339
	<b>3,615,613</b>	2,844,348
<b>Liabilities</b>		
Bank indebtedness (Note 6)	301,225	259,535
Accounts payable and accruals (Note 7)	659,002	2,124,806
Unexpended revenue (Note 8)	3,265,962	1,581,363
Long term debt (Note 9 and 10)	<b>2,973,083</b>	3,509,040
	<b>7,199,272</b>	7,474,744
<b>Net Debt</b>	<b>(3,583,659)</b>	(4,630,396)
<b>Non-financial Assets</b>		
Tangible capital assets (Note 11)	<b>17,684,814</b>	18,678,421
<b>Accumulated Surplus (Note 12)</b>	<b>\$ 14,101,155</b>	\$ 14,048,025
Contingencies (Note 13)		

Approved on behalf of the Cree Nation:

Signature on file \_\_\_\_\_, Chief

Signature on file \_\_\_\_\_, Councilor

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Consolidated Statement of Operations

For the Year Ended March 31, 2020

	2020 Budget	2020	2019
<b>Revenue</b>			
Indigenous Services Canada (ISC) (Note 14)	\$ 4,746,056	\$ 6,860,369	\$ 5,855,171
Prince Albert Grand Council	2,250,917	1,445,921	1,714,408
First Nations and Inuit Health Branch	633,538	669,904	888,516
Nechapanuk Centre Child and Family Services	-	441,990	-
First Nations Trust	331,043	332,745	331,043
Canada Mortgage and Housing Corporation	-	272,231	273,595
Northern Lights Community Development Corp.	-	121,894	49,057
Expense recovery	-	877,388	-
Insurance proceeds	-	524,143	-
Specific claim negotiation reimbursement	-	330,337	-
Rental revenue	35,400	283,580	283,580
Other revenue	200,877	158,059	218,679
Income from government business partnerships	-	80,517	(171,900)
Administration fees	392,297	67,790	41,124
User fees	-	13,505	-
Recognition (deferral) of unexpended funds	(59,112)	(1,684,599)	(662,282)
	<b>8,531,016</b>	<b>10,795,774</b>	<b>8,820,991</b>
<b>Expenses</b>			
Band administration (schedule 1)	912,217	1,289,126	1,603,144
Band Based Capital/Housing (schedule 2)	231,860	933,349	498,129
Capital projects (schedule 3)	-	-	100
Community infrastructure (schedule 4)	394,463	362,899	422,239
Economic development (schedule 5)	176,708	253,201	37,391
Education (schedule 6)	3,911,423	2,993,597	2,832,744
Health (schedule 7)	1,259,170	1,525,175	1,482,713
Other programs (schedule 8)	345,081	655,493	501,695
Social development (schedule 9)	1,560,497	1,553,242	1,257,990
Amortization	-	1,176,562	1,192,783
	<b>8,791,419</b>	<b>10,742,644</b>	<b>9,828,928</b>
<b>Current surplus (deficit)</b>	<b>(260,403)</b>	<b>53,130</b>	<b>(1,007,937)</b>
<b>Accumulated surplus - Beginning of the year</b>	<b>14,048,025</b>	<b>14,048,025</b>	<b>15,055,962</b>
<b>Accumulated surplus - End of the year</b>	<b>\$13,787,622</b>	<b>\$14,101,155</b>	<b>\$14,048,025</b>
<b>Expense by object disclosure (Note 15)</b>			

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Statement of Changes in Net Debt

For the Year Ended March 31, 2020

---

	2020 Budget	2020	2019
Annual surplus (deficit)	\$ (260,403)	\$ 53,130	\$ (1,007,937)
Acquisition of tangible capital assets	-	(182,955)	(602,444)
Amortization of tangible capital assets	-	1,176,562	1,192,783
<b>Change in net debt during the year</b>	<b>(260,403)</b>	<b>1,046,737</b>	<b>(417,598)</b>
Net debt - Beginning of year	(4,630,396)	(4,630,396)	(4,212,798)
<b>Net debt - End of year</b>	<b>\$ (4,890,799)</b>	<b>\$ (3,583,659)</b>	<b>\$ (4,630,396)</b>

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Statement of Cash Flows

For the Year Ended March 31, 2020

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Annual surplus (deficit)	\$ 53,130	\$ (1,007,937)
<b>Non-cash items:</b>		
Amortization	1,176,562	1,192,783
Net income from government partnerships	(80,517)	171,900
<b>Change in working capital items:</b>		
Change in accounts receivable	(56,296)	122,455
Change in restricted assets - capital projects	(718,109)	(13,900)
Change in accounts payable and accruals	(1,465,804)	(206,636)
Change in unexpended revenue	1,684,599	678,786
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>593,565</b>	<b>937,451</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Change in trust funds held by federal government	35,827	(1,220)
Distributions from government partnerships	50,000	-
Change in restricted assets - CMHC replacement reserve	(2,170)	79,409
Change in portfolio investments	-	20,000
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>83,657</b>	<b>98,189</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of long term debt	(535,957)	(525,134)
<b>CAPITAL ACTIVITIES:</b>		
Tangible capital asset purchases	(182,955)	(602,444)
<b>Net cash increase (decreases)</b>	<b>(41,690)</b>	<b>(91,938)</b>
Bank indebtedness at beginning of year	(259,535)	(167,597)
<b>Bank indebtedness at end of year</b>	<b>\$ (301,225)</b>	<b>\$ (259,535)</b>

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2020

---

Shoal Lake Cree Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include the Shoal Lake Cree Nation government and all related entities which are accountable to the Cree Nation and are either owned or controlled by the Cree Nation.

The reporting entity Shoal Lake Cree Nation is governed by elected officials from the Shoal Lake Cree Nation.

### 1. Significant Accounting Policies

#### a. Basis of Accounting

These consolidated financial statements have been prepared in accordance with Public Sector Accounting Standards (PSAS) prescribed for governments as recommended by the Chartered Professional Accountants of Canada.

#### b. Principles of Consolidation

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

Shoal Lake Cree Nation - Operations

Shoal Lake Cree Nation - Section 95 Social Housing Operation

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Under the modified equity method of accounting, only Shoal Lake Cree Nation's investment in the government business partnership and its net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Shoal Lake Cree Nation. Entities recorded under the modified equity method include:

Prince Albert Development Corporation

Prince Albert First Nations Business Development LP

Long-term investments in non-controlled entities are recorded at the lower of cost or net realizable value.

#### c. Asset classification

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

#### d. Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial assets is determined by its financial assets less liabilities. Net debt or net financial assets is comprised of two components, non-financial assets and accumulated surplus.

The accompanying notes are an integral part of these financial statements.

# **Shoal Lake Cree Nation**

**Notes to the Financial Statements**  
**For the Year Ended March 31, 2020**

---

## **1. Significant Accounting Policies continued**

### **e. Cash and cash equivalents**

Cash includes cash on hand, balances with banks net of bank overdrafts, and term deposits having a maturity of 90 days of less at acquisition which are held for the purpose of meeting short-term cash commitments.

Any cash that is legally restricted from use is recorded in restricted assets. Cash and deposits are considered restricted when they are subject to contingent rights of third parties.

### **f. Liability for contaminated sites**

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts 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, 2020.

At each financial reporting date, the Cree Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Cree Nation continues to recognize the liability until it's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. There are no known liabilities at March 31, 2020.

# Shoal Lake Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

---

## 1. Significant Accounting Policies continued

### g. Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Shoal Lake Cree Nation's incremental cost of borrowing.

Amortization is provided for on a declining balance basis over their estimated useful lives. Half a year of amortization is recorded in the year of acquisition.

Vehicle and equipment	10-30%
Buildings	10%
Infrastructure	5%
Housing	4%

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

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

# **Shoal Lake Cree Nation**

**Notes to the Financial Statements**  
**For the Year Ended March 31, 2020**

---

## **1. Significant Accounting Policies continued**

### **h. Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable and member advances 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 the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements.

### **i. Segments**

The Cree Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the Cree Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

### **j. Internal charges and transfers**

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

# **Shoal Lake Cree Nation**

**Notes to the Financial Statements**  
**For the Year Ended March 31, 2020**

---

## **1. Significant Accounting Policies continued**

### **k. Revenue recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is not practicable.

Government transfers, which includes transfers from Indigenous Services Canada, Prince Albert Grand Council, First Nation and Inuit Health Branch, Nchapanuk Centre Child and Family Services, Canada Mortgage and Housing Corporation, First Nations Trust, and Northern Lights Community Development Corporation are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for a specific purpose.

Other revenues, which includes insurance proceeds, rental revenue, and administration fees are recognized when they are earned.

Earnings from government partnerships are recorded based on the modified equity method, based on the ownership percentage held and reported income of the other entities.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed. Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

### **I. Recognition of expenses**

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

### **m. Investments**

Portfolio investments which are owned by Shoal Lake Cree Nation but not controlled or influenced by the Cree Nation are recorded using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported at.

### **n. Pension Plan**

The Shoal Lake Cree Nation provides a defined contribution plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid to the employee.

The accompanying notes are an integral part of these financial statements.

# **Shoal Lake Cree Nation**

**Notes to the Financial Statements**  
**For the Year Ended March 31, 2020**

---

## **1. Significant Accounting Policies continued**

### **o. Leased assets**

Leased assets that transfer substantially all the benefits and risks of ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Cree Nation, and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

### **p. Funds held in Ottawa Trust Fund**

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 accumulated surplus. Trust monies consist of:

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

### **q. Other Economic Interests**

The Nation is a member of the Prince Albert Grand Council. The Prince Albert Grand Council is an organization of 12 Nations.

The Nation does not either share in the control or the profit or loss of the PAGC. As a result, the financial statements of the PAGC have not been consolidated or proportionately consolidated with the financial statements of Shoal Lake Cree Nation.

# Shoal Lake Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

---

## 2. Restricted assets

The Cree Nation has received federal assistance through the CMHC, pursuant to Section 95 of the National Housing Act, to reduce mortgage interest and enable the Cree Nation to provide housing to members. The continuation of this interest rate reduction is contingent on the Cree Nation being in compliance with the terms of the agreement, which requires that a monthly amount be set aside to provide for major renovations to Nation housing in future years.

The Cree Nation has established a replacement reserve to ensure replacement of buildings financed by the CMHC, as well as a reserve related to surpluses generated in the post-1997 program, which are to be set aside and used to meet future subsidy requirements of income tested occupants over and above the maximum federal assistance.

The CMHC reserve funds must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by the CMHC. Reserve withdrawals are credited first to interest and then to principal.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Restricted assets are comprised of the following:

	2020	2019
CMHC replacement reserve	\$ 445,027	\$ 442,857
Funds held for capital projects	<u>871,115</u>	<u>153,005</u>
	<u><b>\$ 1,316,142</b></u>	<u><b>\$ 595,862</b></u>

# Shoal Lake Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

## 3. Accounts receivable

	2020	2019
Due from members	\$ 569,121	\$ 572,992
Less: allowance for doubtful accounts	<u>(564,121)</u>	<u>(567,992)</u>
	5,000	5,000
Prince Albert Grand Council	52,555	97,622
CMHC - Subsidy receivable	33,071	192,580
First Nations and Inuit Health Branch	102,081	83,642
Indigenous Services Canada	-	51,175
Northern Lights Community Development Corp.	48,852	37,380
GST rebates	27,689	10,000
CMHC loan advance receivable	-	7,275
Insurance proceeds	<u>271,721</u>	<u>-</u>
	\$ 540,969	\$ 484,674

## 4. Trust funds held by federal government

	2020	2020	2020	2019
	Revenue	Capital	Total	Total
Surplus, beginning of year	\$ 36,473	\$ -	\$ 36,473	\$ 35,253
Less: Receipt of funds	(36,000)	-	(36,000)	-
Interest earned	173	-	173	1,220
	<u>\$ 646</u>	<u>\$ -</u>	<u>\$ 646</u>	<u>\$ 36,473</u>

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

# Shoal Lake Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2020

### 5. Investments in Government Partnerships

Commercial enterprises are those organizations that meet the definition of government partnerships as described by Public Sector Accounting Standards of CPA Canada. Government partnerships have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside of the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government. These partnerships are formed by multiple governments coming together to attain a common goal.

Investments in Government Partnerships consists of the following:

	2020	2019
Prince Albert First Nations Business Development LP - 8.33% ownership	\$ 1,733,703	\$ 1,703,879
Prince Albert Development Corporation - 8.33% ownership	24,153	23,460
	<b>\$ 1,757,856</b>	<b>\$ 1,727,339</b>

During the fiscal year, the Cree Nation received \$50,000 (2019 - \$nil) of distributions from Prince Albert First Nations Business Development Limited Partnership.

Summarized financial information for the investments in Government Partnerships for the year ending March 31, 2020 is as follows:

	Prince Albert First Nations Business Development LP	2020	Prince Albert Development Corporation	Prince Albert First Nations Business Development LP	2019
<b>Balance sheet</b>					
Cash	\$ -	\$ 325,138	\$ 325,138	\$ -	\$ 486,663
Other assets	302,074	20,908,980	<b>21,211,054</b>	292,398	20,324,171
	302,074	21,234,118	<b>21,536,192</b>	292,398	20,810,834
Liabilities	12,233	127,606	<b>139,839</b>	10,873	71,888
Equity	289,841	21,106,512	<b>21,396,353</b>	281,525	20,738,946
	302,074	21,234,118	<b>21,536,192</b>	292,398	20,810,834
					<b>21,103,232</b>
<b>Income statement</b>					
Income (loss)	9,676	1,228,195	<b>1,237,871</b>	(20,614)	(1,634,494)
Expenses	1,360	260,631	<b>261,991</b>	1,360	426,948
	\$ 8,316	\$ 967,564	<b>\$ 975,880</b>	\$ (21,974)	\$ (2,061,442)
					<b>\$ (2,083,416)</b>

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

---

## 6. Bank indebtedness

The Cree Nation has an approved overdraft limit of \$ 200,000 with First Nations Bank bearing interest at prime plus 1.85%. The operating loan is secured by a Band Council Resolution authorizing redirection of ISC funding, a general security agreement, and access to on-reserve assets.

The draw on the line of credit is \$nil (2019 - \$91,098).

## 7. Accounts payable and accruals

	2020	2019
Trade accounts payable	\$ 288,733	\$ 1,411,857
Prince Albert Grand Council	269,626	312,411
Indigenous Services Canada	4,258	201,023
Wages payable	96,385	199,515
	<hr/>	<hr/>
	\$ 659,002	\$ 2,124,806

# Shoal Lake Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

## 8. Unexpended revenue

ISC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to ISC, deferred to the following year, or transferred to another ISC program area.

	Beginning of year	Contributions received (recognized)	2020
<b>Unexpended Revenue</b>			
ISC - Instructional services	\$ -	\$ 723,339	\$ 723,339
ISC - Immediate needs housing - Lot servicing	-	250,000	250,000
ISC - Basic needs	163,458	76,200	239,658
ISC - Enhanced kindergarten	-	239,487	239,487
ISC - Post secondary student support	213,879	(4,302)	209,577
ISC - Water systems	155,110	30,600	185,710
ISC - DPMP Initiative	1,451	98,771	100,222
ISC - Solid waste	42,526	31,861	74,387
ISC - Special needs	28,937	35,600	64,537
ISC - Employment & training	44,993	10,273	55,266
ISC - School O&M	327,504	(293,434)	34,070
ISC - Cultural enhancement	22,111	-	22,111
ISC - Professional capacity development	-	22,000	22,000
ISC - Capacity & financial training	-	15,000	15,000
ISC - Capacity & innovation	20,000	(8,100)	11,900
ISC - Roads & bridges	-	5,278	5,278
ISC - Election code revision	-	5,000	5,000
ISC - Child nutrition	40,676	(40,676)	-
ISC - Community involvement governance capacity	29,343	(29,343)	-
ISC - Community buildings (BBC)	3,055	(3,055)	-
ISC - Employee benefits non-statutory	1,689	(1,689)	-
ISC - Fire protection	1,382	(1,382)	-
ISC - Social delivery	4,374	(4,374)	-
	1,100,488	1,157,054	2,257,542
<b>Capital funding</b>			
ISC - Immediate needs housing (renos & additions)	360,524	-	360,524
ISC - Garbage truck replacement	-	297,300	297,300
ISC - SPS upgrades	53,863	226,263	280,126
ISC - School assessment	-	53,966	53,966
ISC - Immediate needs housing (construction)	16,504	-	16,504
ISC - Curb stops & valves	49,984	(49,984)	-
	480,875	527,545	1,008,420
	\$ 1,581,363	\$ 1,684,599	\$ 3,265,962

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2020

### 9. Long term debt

	2020	2019
CMHC Phase 5 loan bearing interest at 1.82% per annum, repayable in monthly blended payments of \$803. The loan is secured by a ministerial loan guarantee. The loan will be renewed on September 1, 2019.	\$ 39,354	\$ 48,271
CMHC Phase 6 loan bearing interest at 1.13% per annum, repayable in monthly blended payments of \$1,494. The loan is secured by a ministerial loan guarantee. The loan will be renewed on July 1, 2021.	97,028	113,876
CMHC Phase 7 loan bearing interest at 2.11% per annum, repayable in blended monthly payments of \$1,364. The loan is secured by a ministerial loan guarantee. The loan will be renewed on January 1, 2019.	129,459	143,285
CMHC Phase 8 loan bearing interest at 1.92% per annum, repayable in monthly blended payments of \$4,146. The loan is secured by a ministerial loan guarantee. The loan will be renewed on April 1, 2019.	407,455	449,794
CMHC Phase 9 loan bearing interest at 1.04% per annum, repayable in monthly blended payments of \$2,066. The loan is secured by a ministerial loan guarantee. The loan will be renewed on October 1, 2020.	134,425	157,825
CMHC Phase 10 loan bearing interest at 1.14% per annum, repayable in monthly blended payments of \$3,987. The loan is secured by a ministerial loan guarantee. The loan will be renewed on June 1, 2021.	284,803	329,445
CMHC Phase 11 loan bearing interest at 2.11% per annum, repayable in monthly blended payments of \$3,714. The loan is secured by a ministerial loan guarantee. The loan will be renewed on January 1, 2019.	355,698	393,301
CMHC Phase 12 loan bearing interest at 1.92% per annum, repayable in monthly blended payments of \$2,609. The loan is secured by a ministerial loan guarantee. The loan will be renewed on April 1, 2019.	260,749	287,334
CMHC Phase 13 loan bearing interest at 1.01% per annum, repayable in monthly blended payments of \$3,222. The loan is secured by a ministerial loan guarantee. The loan will be renewed on February 1, 2021.	568,279	601,534
	<b>2,277,250</b>	2,524,665
FNB loan interest bearing at prime plus 2.1% per annum, repayable in monthly payments of \$19,097 plus interest. The loan matures on March 1, 2021 and is secured by a Band Council Resolution authorizing redirection of 100% of First Nations Trust gaming distributions and 100% of Northern Lights Community Development Corporation distributions.	458,333	687,500
FNB loan bearing interest at prime plus 0.75% per annum, repayable in monthly payments of \$4,948 plus interest. The loan matures on March 1, 2021 and is secured by a Band Council Resolution authorizing redirection of 100% of First Nations Trust gaming distributions and 100% of Northern Lights Community Development Corporation distributions and assignment of term deposits and credit balances issued by the First Nation in the amount of \$475,000.	237,500	296,875
	<b>\$2,973,083</b>	<b>\$3,509,040</b>

The amount of debt repayable in subsequent periods is estimated at:

2021	964,165
2022	251,959
2023	255,643
2024	239,384
2025	255,936
Subsequent years	1,005,996

### 10. Debt covenant violation

Shoal Lake Cree Nation's loan agreements are subject to covenant clauses, whereby the Cree Nation is required to meet certain key conditions set out in the loan agreement. The Cree Nation did not fulfil the covenants as required by one of the agreements. Due to this breach, the lender is entitled to request immediate repayment of the loan, however they have waived this right and as such the debt is classified as non-current.

# Shoal Lake Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

## 11. Tangible capital assets

March 31, 2020	CMHC Houses	Band Housing	Buildings	Infrastructure	Vehicles & Equipment	Assets Under Construction	Total
<b>Cost</b>							
Balance, beginning of year	\$ 6,238,556	\$ 5,482,369	\$ 15,883,760	\$ 15,740,246	\$ 1,334,700	\$ 507,254	\$ 45,186,885
Additions	-	-	-	533,250	-	182,955	716,205
Disposals	-	-	-	-	-	(533,250)	(533,250)
<b>Balance, end of year</b>	<b>6,238,556</b>	<b>5,482,369</b>	<b>15,883,760</b>	<b>16,273,496</b>	<b>1,334,700</b>	<b>156,959</b>	<b>45,369,840</b>
<b>Accumulated amortization</b>							
Balance, beginning of year	3,163,036	3,056,948	12,542,512	6,512,498	1,233,470	-	26,508,464
Amortization	244,109	97,017	334,125	474,719	26,592	-	1,176,562
<b>Balance, end of year</b>	<b>3,407,145</b>	<b>3,153,965</b>	<b>12,876,637</b>	<b>6,987,217</b>	<b>1,260,062</b>	<b>-</b>	<b>27,685,026</b>
<b>Net Book Value, end of Year</b>	<b>2,831,411</b>	<b>2,328,404</b>	<b>3,007,123</b>	<b>9,286,279</b>	<b>74,638</b>	<b>156,959</b>	<b>17,684,814</b>
<b>March 31, 2019</b>							
<b>Cost</b>							
Balance, beginning of year	6,574,956	4,155,263	15,883,760	15,621,250	1,284,807	1,337,972	44,858,008
Additions	-	1,327,106	-	118,996	49,893	552,551	2,048,546
Disposals	(336,400)	-	-	-	-	(1,383,269)	(1,719,669)
<b>Balance, end of year</b>	<b>6,238,556</b>	<b>5,482,369</b>	<b>15,883,760</b>	<b>15,740,246</b>	<b>1,334,700</b>	<b>507,254</b>	<b>45,186,885</b>
Accumulated amortization							
Balance, beginning of year	3,197,507	2,983,537	12,171,262	6,029,959	1,206,983	-	25,589,248
Amortization	239,096	73,411	371,250	482,539	26,487	-	1,192,783
Disposals	(273,567)	-	-	-	-	-	(273,567)
<b>Balance, end of year</b>	<b>3,163,036</b>	<b>3,056,948</b>	<b>12,542,512</b>	<b>6,512,498</b>	<b>1,233,470</b>	<b>-</b>	<b>26,508,464</b>
Net Book Value, end of year	\$ 101,230	\$ 2,425,421	\$ 3,075,520	\$ 3,341,248	\$ 9,227,748	\$ 507,254	\$ 18,678,421

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

---

## 12. Accumulated surplus

---

	2020	2019
Equity in capital assets	\$ 15,407,564	\$ 16,153,756
Equity in investments	1,757,856	1,727,339
CMHC reserves	914,846	839,318
Operating fund	<u>(3,979,111)</u>	<u>(4,672,388)</u>
	<u><b>\$ 14,101,155</b></u>	<u><b>\$ 14,048,025</b></u>

- The operating fund reports on the general activities of the Cree Nation's administration;
- Equity in capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services;
- Equity in investments reports on commercial business operations owned by the Cree Nation; and
- The CMHC reserves are replacement and operating reserves required to be funded for future housing replacements, as per agreements with CMHC.

## 13. Contingencies

Shoal Lake Cree Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the Cree Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Shoal Lake Cree Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Shoal Lake Cree Nation's financial statements.

# Shoal Lake Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

---

## 14. Reconciliation of ISC revenue

The Cree Nation has entered into funding arrangements with Indigenous Services Canada. The funds are used by the Cree Nation to administer its operations and provide service to its members in accordance with the terms of the funding arrangement. Funding received under these contribution agreements is subject to repayment if the Cree Nation fails to comply with the terms and conditions of the agreements. ISC revenue consists of the following:

	2020	2019
ISC - Fixed	\$ 3,708,961	\$ 2,776,552
ISC - Flexible	2,777,551	2,558,827
ISC - Grant	454,584	444,619
ISC - Set	22,032	90,959
<b>ISC Revenue per confirmation</b>	<b>6,963,128</b>	5,870,957
ISC - Funding recovery	(102,759)	(15,786)
	<b><u>\$ 6,860,369</u></b>	<b><u>\$ 5,855,171</u></b>

# Shoal Lake Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

## 15. Expenses by object

	2020	2019	2019
	Budget	Actual	Actual
Salaries and benefits	\$ 3,926,669	\$ 3,326,111	\$ 3,559,155
Amortization of tangible assets	-	1,176,562	1,192,783
Social assistance - basic needs	1,181,546	1,134,372	942,798
Program activities	551,254	903,297	781,265
Repairs and maintenance	313,491	762,141	272,351
Transportation program costs	462,250	602,129	513,033
Member assistance	179,400	497,599	576,644
Supplies	331,438	452,592	394,014
Student expenses	357,177	394,146	297,814
Travel expenses	287,751	345,750	332,283
Covid-19 assistance	-	276,830	-
Utilities	315,264	252,045	323,474
Insurance	85,717	235,132	198,401
Professional fees	235,374	102,359	221,945
Construction	-	132,840	409,697
Social assistance - special needs	84,145	91,352	51,186
Interest on long term debt	66,000	84,175	111,049
Administration fees	390,443	78,932	89,646
Sub-contracts	11,500	59,398	7,304
Bank charges and interest	12,000	21,708	8,924
Equipment purchase	-	-	49,893
Vendor interest	-	-	10,000
Bad debt expense (recovery)	-	(3,870)	87,713
<b>Total expenses before transfers</b>	<b>8,791,419</b>	<b>10,925,600</b>	<b>10,431,372</b>
Transfer to capital assets	-	(182,956)	(602,444)
	<b>\$ 8,791,419</b>	<b>\$ 10,742,644</b>	<b>\$ 9,828,928</b>

## 16. Specific Claim

In 2019, Shoal Lake Cree Nation initiated a treaty benefits claim against the Government of Canada. The Cree Nation has obtained loans through a pre-settlement trust to finance the costs of negotiating a settlement on the claim. Insurance has been obtained by the pre-settlement trust to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time a claim is resolved.

The accompanying notes are an integral part of these financial statements.

# **Shoal Lake Cree Nation**

## **Notes to the Financial Statements For the Year Ended March 31, 2020**

---

### **17. Funded reserves**

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the First Nation established the following:

- The replacement reserve to ensure replacement of capital equipment and for major repairs to housing units, which requires an annual cash allocation of \$75,528 to the reserve. At March 31, 2020, the reserve is required to be funded to a level of \$883,084 (2019 - \$823,542). At March 31, 2020, the cash balance in the reserve is \$445,027 (2019 - \$442,857)
- An operating surplus reserve established for housing units under the Post 1996 Fixed Subsidy Program which requires surpluses to be funded with cash. Future operating losses are able to draw on the reserve funds to sustain operations. At March 31, 2020, the reserve is required to be funded to a level of \$(119,570) (2019 - \$15,775). At March 31, 2020, the cash balance in the reserve is \$nil (2019 - \$nil)

In accordance with terms of the agreement, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

### **18. Health Canada - Moveable Assets Reserve (MAR)**

Health Canada funding agreements requires the Cree Nation to report on funding received and related expenditures for all assets over \$1,000 that are not permanently attached to the health facility building (e.g. medical equipment, furniture, vehicles).

There was no MAR for the current year.

### **19. Economic dependence**

Shoal Lake 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.

# Shoal Lake Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2020

---

### 20. ISC funding

The Cree Nation (Recipient) receives funding from Indigenous Services Canada (ISC) by entering into an agreement with ISC:

There are five approaches that ISC may consider in the design and delivery of transfer payment programs:

1. Grant approach – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. Set contribution approach – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to ISC annually.
3. Fixed contribution approach – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by ISC. A plan must be submitted and approved by ISC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by ISC.
4. Flexible contribution approach – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to ISC at the end of the project, program or agreement.
5. Block contribution approach – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by ISC.

# Shoal Lake Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2020

---

### 21. Segmented information

The First Nation conducts its business through reportable segments as follows:

#### 1 - Indigenous Services Canada

**Band Administration:** Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations, and to defray the costs of administering programs on behalf of the member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

**Band Based Capital, Housing, & Capital Projects:** Costs to acquire, construct, operate and maintain band housing and basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

**Community Infrastructure & Economic Development:** Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

**Education:** Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with ISC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labour market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide Internet access, information technology equipment, technical support and training to students and school staff.

**Social Development:** First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

# Shoal Lake Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

---

## 21. Segmented information continued

### 2 - Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

### 3 - Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

### 4 - Other Programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

## 22. Pension Plan

The Shoal Lake Cree Nation and eligible employees participate in a defined contribution pension plan.

Shoal Lake Cree Nation's financial obligation is limited to providing contribution at a specific rate in respect of employee's current service. The employee contribution rate as a percentage of salary was 3-8% (2019 3-8%), the employer contribution rate as a percentage of salary was 3-8% (2019 - 3-8%).

## 23. Annual Surplus Net of Capital Related Revenues and Amortization

	2020	2019
Annual surplus (deficit) as per Statement of Operations	\$ 53,130	\$ (1,007,937)
<b>Less capital related revenues included in annual surplus</b>		
Federal government transfers recognized	(182,956)	(652,953)
	(129,826)	(1,660,890)
Loss (income) from government business partnerships	(80,517)	171,900
Amortization expense included in annual surplus	<u>1,176,562</u>	1,192,783
	<u>\$ 1,127,253</u>	\$ (640,007)

The accompanying notes are an integral part of these financial statements.

# **Shoal Lake Cree Nation**

## **Notes to the Financial Statements For the Year Ended March 31, 2020**

---

### **24. Financial Instruments**

Financial assets include cash, restricted assets, trust funds held by the Federal Government, accounts receivable, and investments in government partnerships, and are measured at amortized cost as presented on the consolidated statement of financial position, except for the trusts funds held by the Federal Government which are measured at fair value, and government partnerships which are measured using the modified equity method.

Financial liabilities include bank indebtedness, accounts payable, unexpended revenue and long-term debt and are measured at amortized cost as presented on the consolidated statement of financial position.

The Cree Nation is not subject to currency risk, credit risk, or other price risk. The following are the significant risks to which the Cree Nation is exposed:

#### **Interest rate risk**

The Cree Nation is exposed to interest rate cash flow risk to the extent that its loans payable are at a floating rate of interest. The Cree Nation is also exposed to interest rate price risk to the extent that agreements receivable are at a fixed rate of interest.

#### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this risk, the Cree Nation maintains a portion of its invested assets in liquid securities.

#### **Market risk**

Market risk is the risk that financial instruments fair values will fluctuate due to changes in market prices. The significant market risks to which the Cree Nation is exposed are interest rate risk and price risk.

### **25. Budgeted figures**

Budgeted figures are unaudited and have been provided for comparison purposes and have been derived from the estimates approved by the Shoal Lake Cree Nation Chief and Council.

### **26. Comparative figures**

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

# Shoal Lake Cree Nation

## Schedule #1

Band Administration  
 Schedule of Operations  
 For the Year Ended March 31, 2020  
 (unaudited)

	2020	2020	2019
	Budget	Actual	Actual
<b>Revenue</b>			
ISC - Grant	\$ 363,642	\$ 454,584	\$ 444,619
ISC - Flexible	15,153	112,430	273,333
ISC - Set	-	-	68,927
ISC - Fixed	211,655	253,655	51,118
Prince Albert Grand Council	11,569	25,880	-
Specific claim negotiation reimbursement	-	330,337	-
Other revenue	64,500	125,313	163,332
Administration fees	387,558	67,790	40,538
User fees	-	13,505	-
Expense recovery	-	877,388	-
Recognition (deferral) of unexpended funds	-	(139,082)	(3,140)
ISC - Funding recovery	-	-	(15,786)
	<b>1,054,077</b>	<b>2,121,800</b>	<b>1,022,941</b>
<b>Expenses</b>			
Salaries and benefits	428,291	522,869	698,744
Covid-19 assistance	-	276,830	-
Member assistance	10,000	192,862	327,316
Travel expenses	106,150	135,978	113,491
Professional fees	205,500	37,132	84,873
Interest on long term debt	66,000	48,071	66,789
Utilities	58,200	39,144	46,468
Bank charges and interest	12,000	20,508	8,022
Program activities	-	4,375	22,500
Supplies	26,076	12,879	136,544
Repairs and maintenance	-	373	-
Vendor interest	-	-	10,000
Sub-contracts	-	1,975	683
Bad debt expense (recovery)	-	(3,870)	87,713
	<b>912,217</b>	<b>1,289,126</b>	<b>1,603,144</b>
<b>Current surplus (deficit)</b>	<b>\$ 141,860</b>	<b>\$ 832,674</b>	<b>\$ (580,203)</b>

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Schedule #2

Band Based Capital/Housing  
 Schedule of Operations  
 For the Year Ended March 31, 2020  
 (unaudited)

	2020	2020	2019
	Budget	Actual	Actual
<b>Revenue</b>			
ISC - Flexible	\$ 169,294	\$ 466,360	\$ 236,360
Canada Mortgage and Housing Corporation	-	272,231	273,595
Insurance proceeds	-	524,141	-
Rental revenue	-	262,980	262,980
Other revenue	-	3,158	967
Recognition (deferral) of unexpended funds	-	(238,845)	(23,055)
	<b>169,294</b>	<b>1,290,025</b>	<b>750,847</b>
<b>Expenses</b>			
Repairs and maintenance	155,265	591,402	171,100
Insurance	64,095	234,655	197,049
Administration fees	12,500	41,040	41,040
Interest on long term debt	-	36,104	44,261
Professional fees	-	11,100	15,050
Supplies	-	8,533	4,396
Travel expenses	-	7,816	17,092
Salaries and benefits	-	1,500	7,340
Bank charges and interest	-	1,200	802
	<b>231,860</b>	<b>933,349</b>	<b>498,129</b>
<b>Current surplus (deficit)</b>	<b>\$ (62,566)</b>	<b>\$ 356,676</b>	<b>\$ 252,718</b>

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Schedule #3

Capital Projects  
 Schedule of Operations  
 For the Year Ended March 31, 2020  
 (unaudited)

	2020	2020	2019
	Budget	Actual	Actual
<b>Revenue</b>			
ISC - Flexible	\$ -	\$ 710,501	\$ 701,600
Other revenue	-	-	151
Recognition (deferral) of unexpended funds	-	(527,545)	(48,647)
		<b>182,956</b>	<b>653,104</b>
<b>Expenses</b>			
Construction	-	<b>132,840</b>	409,697
Administration fees	-	<b>34,450</b>	45,509
Professional fees	-	<b>15,666</b>	97,345
Bank charges and interest	-	-	100
Transfer to capital assets	-	(182,956)	(552,551)
		-	100
<b>Current surplus before transfers</b>	<b>-</b>	<b>182,956</b>	<b>653,004</b>
Program transfers	-	-	(90,500)
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 182,956</b>	<b>\$ 562,504</b>

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Schedule #4

Community Infrastructure  
 Schedule of Operations  
 For the Year Ended March 31, 2020  
 (unaudited)

	2020	2020	2019
	Budget	Actual	Actual
<b>Revenue</b>			
ISC - Fixed	\$ 251,770	\$ 267,483	\$ 431,593
Prince Albert Grand Council	145,037	155,103	150,346
Other revenue	9,880	9,640	11,114
Recognition (deferral) of unexpended funds	-	(66,357)	(177,069)
	<b>406,687</b>	<b>365,869</b>	<b>415,984</b>
<b>Expenses</b>			
Salaries and benefits	196,078	181,495	204,512
Utilities	68,800	69,455	107,049
Repairs and maintenance	12,377	69,442	30,073
Sub-contracts	11,500	15,737	6,621
Supplies	61,152	15,647	63,244
Travel expenses	13,200	11,123	10,740
Administration fees	25,656	-	-
Insurance	5,700	-	-
	<b>394,463</b>	<b>362,899</b>	<b>422,239</b>
Program transfers	-	-	90,500
<b>Current surplus (deficit)</b>	<b>\$ 12,224</b>	<b>\$ 2,970</b>	<b>\$ 84,245</b>

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Schedule #5

Economic Development  
 Schedule of Operations  
 For the Year Ended March 31, 2020  
 (unaudited)

	2020	2020	2019
	Budget	Actual	Actual
<b>Revenue</b>			
ISC - Fixed	\$ 85,000	\$ 94,300	\$ 42,500
Prince Albert Grand Council	18,100	18,100	18,100
Other revenue	74,697	7,962	6,240
Recognition (deferral) of unexpended funds	-	29,343	(29,343)
	<b>177,797</b>	<b>149,705</b>	<b>37,497</b>
<b>Expenses</b>			
Program activities	57,800	134,740	13,157
Salaries and benefits	67,608	71,370	21,768
Sub-contracts	-	41,687	-
Travel expenses	-	2,961	2,431
Supplies	51,300	2,443	35
	<b>176,708</b>	<b>253,201</b>	<b>37,391</b>
<b>Current surplus (deficit)</b>	<b>\$ 1,089</b>	<b>\$ (103,496)</b>	<b>106</b>

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Schedule #6

### Education

#### Schedule of Operations

For the Year Ended March 31, 2020  
(unaudited)

	2020	2020	2019
	Budget	Actual	Actual
<b>Revenue</b>			
ISC - Fixed	\$ 2,049,869	\$ 3,000,592	\$ 2,157,658
Prince Albert Grand Council	1,307,280	514,688	849,447
Rental revenue	35,400	20,600	20,600
ISC - Flexible	-	-	1,065
Administration fees	-	-	584
Recognition (deferral) of unexpended funds	(59,112)	(624,414)	(158,593)
	<b>3,333,437</b>	<b>2,911,466</b>	<b>2,870,761</b>
<b>Expenses</b>			
Salaries and benefits	2,613,333	1,914,868	2,047,074
Student expenses	357,177	394,146	297,814
Supplies	135,275	330,133	116,917
Utilities	155,888	113,815	127,179
Repairs and maintenance	127,962	81,266	60,679
Travel expenses	92,297	74,863	67,757
Program activities	156,716	42,603	88,550
Professional fees	20,144	38,461	24,677
Administration fees	245,881	3,442	2,097
Insurance	6,750	-	-
	<b>3,911,423</b>	<b>2,993,597</b>	<b>2,832,744</b>
<b>Current surplus (deficit)</b>	<b>\$ (577,986)</b>	<b>\$ (82,131)</b>	<b>\$ 38,017</b>

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Schedule #7

### Health

#### Schedule of Operations

For the Year Ended March 31, 2020  
(unaudited)

	2020	2020	2019
	Budget	Actual	Actual
<b>Revenue</b>			
First Nations and Inuit Health Branch	\$ 633,538	\$ 669,904	\$ 888,516
Prince Albert Grand Council	744,164	707,503	671,749
Nechapanuk Centre Child and Family Services	-	441,990	-
Other revenue	36,800	11,989	36,878
	<b>1,414,502</b>	<b>1,831,386</b>	<b>1,597,143</b>
<b>Expenses</b>			
Transportation program costs	462,251	602,129	513,033
Salaries and benefits	467,674	512,101	455,404
Program activities	131,852	197,776	304,193
Travel expenses	46,404	89,618	102,465
Supplies	47,085	73,785	52,991
Utilities	32,376	29,631	42,777
Repairs and maintenance	17,886	19,658	10,498
Insurance	9,172	477	1,352
Administration fees	34,740	-	-
Professional fees	9,730	-	-
	<b>1,259,170</b>	<b>1,525,175</b>	<b>1,482,713</b>
<b>Current surplus (deficit)</b>	<b>\$ 155,332</b>	<b>\$ 306,211</b>	<b>\$ 114,430</b>

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Schedule #8

Other Programs

Schedule of Operations

For the Year Ended March 31, 2020  
(unaudited)

	2020	2020	2019
	Budget	Actual	Actual
<b>Revenue</b>			
First Nations Trust	\$ 331,043	\$ 332,745	\$ 331,043
Other revenue	15,000	-	-
Northern Lights Community Development Corp.	-	121,894	49,057
Income from government business partnerships	-	80,517	(171,900)
	<b>346,043</b>	<b>535,156</b>	208,200
<b>Expenses</b>			
Program activities	90,931	350,756	252,368
Member assistance	169,400	304,737	249,327
Administration fees	52,250	-	-
Salaries and benefits	32,500	-	-
	<b>345,081</b>	<b>655,493</b>	501,695
<b>Current surplus (deficit)</b>	<b>\$ 962</b>	<b>\$ (120,337)</b>	<b>\$ (293,495)</b>

The accompanying notes are an integral part of these financial statements.

# Shoal Lake Cree Nation

## Schedule #9

Social Development  
 Schedule of Operations  
 For the Year Ended March 31, 2020  
 (unaudited)

	2020	2020	2019
	Budget	Actual	Actual
<b>Revenue</b>			
ISC - Flexible	\$ 1,421,931	\$ 1,488,260	\$ 1,346,469
ISC - Fixed	92,931	92,931	93,683
Prince Albert Grand Council	24,766	24,646	24,766
ISC - Set	22,032	22,032	22,032
ISC - Funding recovery	-	(102,759)	-
Recognition (deferral) of unexpended funds	-	(117,699)	(222,436)
	<b>1,561,660</b>	<b>1,407,411</b>	<b>1,264,514</b>
<b>Expenses</b>			
Social assistance - basic needs	1,181,546	1,134,372	942,798
Program activities	113,954	173,048	100,497
Salaries and benefits	121,187	121,908	124,313
Social assistance - special needs	84,145	91,352	51,186
Travel expenses	29,699	23,390	18,307
Supplies	10,550	9,171	19,888
Administration fees	19,416	-	1,000
	<b>1,560,497</b>	<b>1,553,242</b>	<b>1,257,990</b>
<b>Current surplus (deficit)</b>	<b>\$ 1,163</b>	<b>\$ (145,831)</b>	<b>\$ 6,524</b>

The accompanying notes are an integral part of these financial statements.