



Star Blanket Cree Nation
Consolidated Financial Statements
March 31, 2018



Star Blanket Cree Nation

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For the year ended March 31, 2018

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Management's Responsibility



To the Members of Star Blanket Cree Nation:

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

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

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members of Star Blanket Cree Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 18, 2018

Signed By: Sonya Starr

Management

To the Members of Star Blanket Cree Nation:

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

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Saskatoon, Saskatchewan

July 18, 2018

MNP LLP

Chartered Professional Accountants



Star Blanket Cree Nation

Consolidated Statement of Financial Position

As at March 31, 2018

	2018	2017
Financial assets		
Current		
Cash resources	217,448	236,396
Accounts receivable (Note 4)	108,260	180,442
Restricted cash (Note 5)	264,960	1,010,828
	590,668	1,427,666
Funds held in trust (Note 7)	9,059	8,863
Due from Star Blanket Treaty Land Entitlement (Note 8)	101,288	97,054
Restricted cash (Note 5)	202,604	234,364
Portfolio investments (Note 6)	60,000	260,000
Total financial assets	963,619	2,027,947
Liabilities		
Current		
Bank indebtedness (Note 9)	198,072	74,577
Accounts payable and accruals	506,045	818,377
Deferred revenue (Note 10)	251,971	913,189
Due to Star Blanket Treaty Land Entitlement Trust (Note 8)	60,000	60,000
Goods and Services Tax payable	2,925	6,119
Current portion of long-term debt (Note 11)	718,000	918,000
	1,737,013	2,790,262
Long-term debt (Note 11)	2,671,484	2,574,599
Total financial liabilities	4,408,497	5,364,861
Net debt	(3,444,878)	(3,336,914)
Non-financial assets		
Tangible capital assets (Note 12)	10,577,753	10,330,300
Inventories of supplies	1,367	1,367
Prepaid expenses	30,614	5,865
Total non-financial assets	10,609,734	10,337,532
Accumulated surplus (Note 13)	7,164,856	7,000,618

Approved on behalf of Chief and Council

Signed By: Michael Starr

Chief

Signed By: Joanne Starr

Councilor

Signed By: Norman (Edgar) Starr

Signed By: Catherine Stonechild

The accompanying notes are an integral part of these financial statements



Star Blanket Cree Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget (Note 18)</i>	<i>2018 Actual</i>	<i>2017 Actual</i>
Revenues				
Indigenous Services Canada (Note 16)		1,863,401	3,030,541	3,138,899
Health Canada (Note 17)		65,347	335,305	544,862
Bingo revenue		685,000	612,557	649,122
Rental income		383,831	370,089	393,780
Other revenue		252,925	245,032	375,372
First Nations Trust		234,760	224,389	221,284
File Hills Community Health Services Inc.		189,099	198,987	188,379
FHQ Tribal Council		174,999	181,509	174,469
Canada Mortgage and Housing Corporation		58,118	69,192	56,831
FHQ Casino Holdings		60,000	60,000	60,000
Living Skies Community Development Corporation		-	-	35,949
		3,967,480	5,327,601	5,838,947
Program expenses				
Band Government	3	405,905	505,420	590,122
Capital	4	-	558,165	436,316
Economic Development	5	874,136	1,115,497	1,288,645
Education	6	457,877	529,681	463,336
Health	7	324,484	496,877	400,659
Housing	8	217,062	685,574	496,278
Operations and Maintenance	9	553,792	525,637	497,660
Reserves and Trusts	10	5,000	7,410	9,621
Social Development	11	767,754	739,102	808,184
Total expenses		3,606,010	5,163,363	4,990,821
Surplus before other items		361,470	164,238	848,126
Other items				
Valuation loss on investments		-	-	(985,500)
Forgiveness of debt		-	-	2,695,854
Gain on disposal of tangible capital asset		-	-	20,000
		-	-	1,730,354
Surplus		361,470	164,238	2,578,480
Accumulated surplus, beginning of year		7,000,618	7,000,618	4,422,138
Accumulated surplus, end of year (Note 13)		7,362,088	7,164,856	7,000,618

The accompanying notes are an integral part of these financial statements



Star Blanket Cree Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Annual surplus	361,470	164,238	2,578,480
Purchases of tangible capital assets	-	(882,454)	(2,223,763)
Amortization of tangible capital assets	-	635,001	534,161
Acquisition of prepaid expenses	-	(24,749)	-
Use of prepaid expenses	-	-	25,529
Change in net debt	361,470	(107,964)	914,407
Net debt, beginning of year	(3,336,914)	(3,336,914)	(4,251,321)
Net debt, end of year	(2,975,444)	(3,444,878)	(3,336,914)

The accompanying notes are an integral part of these financial statements



Star Blanket Cree Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2018

	2018 Actual	2017 Actual
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	164,238	2,578,480
Non-cash items		
Amortization	635,001	534,161
Valuation loss on investments	-	985,500
Forgiveness of debt principal	-	(1,750,000)
	799,239	2,348,141
Changes in working capital accounts		
Accounts receivable	72,182	(436)
Prepaid expenses	(24,749)	25,529
Accounts payable and accruals	(312,332)	(180,191)
Deferred revenue	(661,218)	900,850
Goods and Services Tax payable	(3,194)	(59,405)
	(130,072)	3,034,488
Financing activities		
Advances of long-term debt	719,508	553,975
Repayments of long-term debt	(822,623)	(378,277)
Increase (decrease) in bank indebtedness	123,495	(18,026)
	20,380	157,672
Capital activities		
Purchases of tangible capital assets	(882,454)	(2,223,763)
Investing activities		
Increase in funds held in trust	(196)	(166)
Decrease (increase) in restricted cash	777,628	(1,001,228)
Increase in due from Star Blanket Treaty Land Entitlement Trust	(4,234)	(48,806)
Disposal of Can Elson Drilling LP#3 investment	200,000	-
	973,198	(1,050,200)
Decrease in cash resources	(18,948)	(81,803)
Cash resources, beginning of year	236,396	318,199
Cash resources, end of year	217,448	236,396



Star Blanket Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

1. Operations

The Star Blanket Cree Nation (the "Cree Nation") is located in the Province of Saskatchewan, and provides various services to its members. The Star Blanket Cree Nation financial reporting entity includes the Cree Nation's operations and all related entities that are accountable to the Cree Nation and are either owned or controlled by the Nation.

2. Change in accounting policies

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

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

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

3. Significant accounting policies

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

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Cree Nation reporting entity. Star Blanket Cree Nation Treaty Land Entitlement Trust is not controlled by the Cree Nation and is excluded from the Cree Nation reporting entity.

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

- Star Blanket Cree Nation
- Star Blanket Cree Nation - CMHC Housing Program
- White Buffalo Calf Gaming Authority
- Star Blanket Rentals
- Red Dog Holdings Ltd.
- Red Dog Holdings Limited Partnership

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 expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.



Star Blanket Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

3. Significant accounting policies (Continued from previous page)

Cash resources

Cash resources includes balances with banks and short-term investments with maturities of three months or less.

Restricted cash

Restricted cash consists of funds held in the CMHC operating and replacement reserve bank accounts and funds managed by a project manager. The project manager is responsible for the completion of the capital projects and the CMHC reserves are used to pay eligible expenditures of the CMHC housing units.

Portfolio investments

Long-term investments in entities that are not owned, controlled, or influenced by the Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

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 consolidated statement of financial position. Trust moneys consist of:

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

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution. Tangible capital assets recorded at a nominal amount include the original reserve land. Land purchased is recorded at the purchase price.

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Buildings	15 - 40 years
Band housing	15 - 25 years
CMHC housing	15 - 25 years
Computers	3 years
Equipment	6 - 10 years
Infrastructure	40 years
Roads	40 years

Land is not amortized. Construction-in-progress is not amortized until the assets are put into use.

Asset classification

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

Net financial debt

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



Star Blanket Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

3. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Funding

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

Government Transfers

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

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Other Revenue

Rental revenue is recognized over the rental term. Other revenues are earned from services provided by the Cree Nation and are recognized when the service has been provided. Bingo revenue is recognized when the bingo event has occurred. Investment income is recognized on an accrual basis.

Use of estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Segments

The Nation conducts its business through nine reportable segments: Band Government, Capital, Economic Development, Education, Health, Housing, Operations and Maintenance, Reserves and Trusts and Social Development. These operating segments are established by Council and senior management to facilitate the achievement of the Cree Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

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.



Star Blanket Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

3. Significant accounting policies *(Continued from previous page)*

Liability for contaminated site

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

At each financial reporting date, the Cree Nation reviewed 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 is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. There was no liability accrued at March 31, 2018.

4. Accounts receivable

	2018	2017
Rent receivable	53,038	53,394
FHQ Tribal Council	45,335	60,462
Members	13,031	13,031
Canada Mortgage and Housing Corporation	4,806	5,107
Other	1,043	12,565
Indigenous Services Canada	-	44,876
	117,253	189,435
Allowance for doubtful accounts	(8,993)	(8,993)
	108,260	180,442

5. Restricted cash

	2018	2017
Current		
ISC - capital projects	260,886	825,968
Health Canada - capital project	4,074	184,860
	264,960	1,010,828
Long-term		
CMHC replacement reserve - bank	2,747	1,876
CMHC replacement reserve - GIC	121,469	154,920
CMHC operating reserve - bank	259	(489)
CMHC operating reserve - GIC	47,072	47,028
CMHC operating reserve - GIC	31,057	31,029
	202,604	234,364
	467,564	1,245,192



Star Blanket Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

6. Portfolio investments

	2018	2017
FHQ Casino Holdings Ltd.	60,000	60,000
Can Elson 120601 Drilling Limited Partnership #3	-	200,000
	60,000	260,000

The Cree Nation has a 8.3% interest in FHQ Casino Holdings Ltd., a Company which holds a rental property.

7. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	2018	2017
Capital Trust		
Balance, beginning and end of year	5,960	5,960
Revenue Trust		
Balance, beginning of year	2,903	2,737
Interest	196	166
Balance, end of year	3,099	2,903
Total funds in trust, end of year	9,059	8,863

8. Due from (to) Star Blanket Treaty Land Entitlement Trust

Amounts owing between the Cree Nation and the Star Blanket Treaty Land Entitlement Trust are without fixed repayment terms and bear no interest.

The Star Blanket Treaty Land Entitlement Trust has been established for the benefit of the Members of Star Blanket Cree Nation and is managed by an independent group of Trustees.

9. Bank indebtedness

The Cree Nation has an operating line of credit with a limit of \$75,000. Interest is payable at Peace Hills Trust prime plus 2%. At March 31, 2018, the Cree Nation has drawn \$72,805 (2017 - \$32,682) against its overdraft limit. The line of credit is secured by a band council resolution redirecting gaming revenue and ISC funding.

The Cree Nation has an additional operating line of credit with a limit of \$60,000. Interest is payable at 24%. At March 31, 2018, the Cree Nation has drawn \$21,586 (2017 - \$nil) against its overdraft limit. The line of credit is secured by a band council resolution redirecting First Nations Trust and ISC funding.

The bank indebtedness reported on the financial statements is represented by line of credit drawings plus outstanding cheques.



Star Blanket Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

10. Deferred revenue

Deferred revenue represent the amount of funds received by the Nation that relate to future fiscal periods and are unearned at year-end.

As of March 31, 2018, deferred revenue consists of:

	<i>Balance, beginning of year</i>	<i>Amounts received</i>	<i>Amounts expended in current year</i>	<i>Balance, end of year</i>
ISC - Triplex construction	461,693	-	446,163	15,530
Health Canada - Headstart building	214,693	15,000	223,509	6,184
ISC - Immediate needs renovations	82,670	250,000	332,670	-
ISC - School feasibility study	80,000	-	6,950	73,050
ISC - WTP upgrade	50,587	237,000	160,349	127,238
ISC - Lebreton lot servicing	-	100,000	83,074	16,926
ISC - Lot Servicing	11,207	-	11,207	-
Tenant rents	12,339	704	-	13,043
	913,189	602,704	1,263,922	251,971

11. Long-term debt

	<i>2018</i>	<i>2017</i>
Canada Mortgage and Housing Corporation mortgage for CMHC Phase IX housing, payable in monthly instalments of \$1,043 including interest at 1.08%, secured by ministerial guarantee and due August 2020.	87,282	98,795
Canada Mortgage and Housing Corporation mortgage for CMHC Phase X housing, payable in monthly instalments of \$1,631 including interest at 2.11%, secured by ministerial guarantee and due January 2019.	186,864	202,332
Canada Mortgage and Housing Corporation mortgage for CMHC Phase XI housing, payable in monthly instalments of \$579 including interest at 1.08%, secured by ministerial guarantee and due August 2020.	110,325	116,053
Canada Mortgage and Housing Corporation mortgage for CMHC Phase XII housing, payable in monthly instalments of \$1,003 including interest at 1.46%, secured by ministerial guarantee and due March 2022.	199,748	208,809
Canada Mortgage and Housing Corporation mortgage for CMHC Phase XIII housing, payable in monthly instalments of \$645 including interest at 1.43%, secured by ministerial guarantee and due April 2022.	98,643	101,130
Peace Hills Trust consolidation loan with principal and interest payments of \$48,000 quarterly and an additional annual payment of \$70,000 with interest at 6.25%, secured by guarantees and assignment of particular contracts, a promissory note, and a general security agreement, maturing January 2020.	1,549,879	1,698,311
Peace Hills Trust consolidation loan with principal and interest payments of \$8,462 monthly and an additional annual payment of \$43,000 with interest at 6.00%, secured by assignment of Buffalo Calf Gaming proceeds & Keeseechiwan / FHQ Casino Holdings investment income, maturing October 2024.	698,481	-
Star Blanket Treaty Land Entitlement Trust economic development loan due on demand, interest payable on demand and calculated at 5.75%.	360,000	360,000



Star Blanket Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

11. Long-term debt (Continued from previous page)

Peace Hills Trust loan to purchase two school buses with principal and interest payments of \$2,627 monthly with interest at 6.00%, secured by a general security agreement, maturing September 2020.

66,843 93,465

Redhead equipment loan with principal and interest payments of \$850 monthly with interest at 9.61%, secured by equipment with a net book value of \$80,000.

31,419 38,241

Peace Hills Trust loan.

- 276,103

First Nations and Metis Fund (FNMF) economic development loan.

- 200,000

Peace Hills Trust loan.

- 88,682

De Lage Landen loan.

- 7,930

Peace Hills Trust mortgage for CMHC Phase IV housing.

- 2,748

3,389,484 3,492,599

Less: current portion

718,000 918,000

2,671,484 2,574,599

Principal repayments on term loans in each of the next five years, assuming the term loans are renewed with similar terms, are estimated below. Loans with either a demand feature or which have matured subsequent to year end and are without renewed terms have been recorded as current and are included below as demandable loans.

	Term loans	Demandable loans	Total
2019	358,000	360,000	718,000
2020	378,000	-	378,000
2021	377,000	-	377,000
2022	386,000	-	386,000
2023	401,000	-	401,000

12. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1. Details of amounts included in assets under construction are as follows:

Project	Budget	Cumulative costs to March 31, 2018
Water Treatment Plant upgrade	300,000	172,763
Lebret lot servicing	100,000	83,074
Total	400,000	255,837

Assets under construction are financed by Indigenous Services Canada, and are managed by a third party contractor.



Star Blanket Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

13. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
Equity in funds held in trust	9,059	8,863
Canada Mortgage and Housing Corporation reserves	236,375	245,247
Equity in tangible capital assets	9,796,628	9,184,695
Equity in investments	-	(533,156)
Unrestricted deficit	(2,877,206)	(1,905,031)
	7,164,856	7,000,618

During the year the Cree Nation concluded the sale of its interest in Can Elson 120601 Drilling Partnership #3 which sold for its book value of \$200,000. The Cree Nation had financed its acquisition of the investment with various sources of debt whose balances were in excess of the realizable value of the investment; resulting in a negative equity in the Can Elson 120601 investment at the end of 2017. Since the investment was sold in 2018, the remaining debt will be required to be serviced from general operations as the investment no longer is held by the Cree Nation. Therefore the indebtedness associated with the Can Elson 120601 investment has been transferred to the unrestricted deficit in 2018.

The Cree Nation's other investment, FHQ Casino Holdings Ltd. is financed with a note payable equal to the carrying amount of the investment (Note 6).

14. Canada Mortgage and Housing Corporation reserves

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

- A replacement reserve, established to ensure replacement of capital equipment and for major repairs to the housing units, which requires an annual allocation to the reserve. At March 31, 2018 \$137,061 (2017 - \$146,006) has been charged to this reserve. At March 31, 2018 the reserve is underfunded \$12,845 (2017 - fully funded).
- A operating surplus reserve established for housing units under the post 1997 Fixed Subsidy Program requires surpluses to be retained to offset future operating losses. At March 31, 2018 \$99,314 (2017 - \$99,241) has been charged to this reserve. At March 31, 2018 the reserve is underfunded \$20,927 (2017 - underfunded - \$21,673).

15. Economic dependence

Star Blanket Cree Nation receives a significant portion of its revenues 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 Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

Due to certain deficiencies in its operating fund position, the Cree Nation is also party to a Management Action Plan agreement with ISC that will expire when certain financial indicators are met by the Cree Nation. Under the terms of the Management Action Plan, ISC can suspend transfers to the Nation if it does not comply with the terms of the agreement. Management believes that they are in compliance with the Management Action Plan.



Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

16. Reconciliation of Indigenous Services Canada funding

	2018	2017
Funding per confirmation	2,285,003	4,132,869
Less: funding adjustments		
Special Needs funding adjustment	-	(8,079)
Basic Needs funding adjustment	-	(7,609)
	-	(15,688)
Less: Deferred revenue		
Water plant upgrade funding	(127,238)	(50,587)
School Feasibility Study funding	(73,050)	(80,000)
Lebret lot servicing	(16,926)	-
Triplex funding	(15,530)	(461,693)
Immediate Needs Renovations funding	-	(82,670)
Lot Servicing funding	-	(11,207)
	(232,744)	(686,157)
Plus: Prior year deferred revenue recognized		
Triplex funding	461,693	-
Immediate Needs Renovations funding	82,670	-
School Feasibility Study funding	80,000	-
Water plant upgrade funding	50,587	-
Lot servicing	11,207	-
	686,157	-
Collected (uncollected) government transfers		
Water treatment plant upgrade	237,000	(237,000)
Subdivision expansion	55,125	(55,125)
	292,125	(292,125)
	3,030,541	3,138,899

17. Reconciliation of Health Canada funding

	2018	2017
Funding per confirmation	127,536	759,555
Plus: Prior year deferred Headstart Capital funding	214,693	-
Less: Unspent Headstart Capital funding	(6,184)	(214,693)
Less: funding adjustment	(740)	-
	335,305	544,862



Star Blanket Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

18. Budget information

The disclosed budget information for the following entities has been approved by Chief and Council on:

Star Blanket Cree Nation	May 17, 2016
Star Blanket Rentals	July 2017
White Buffalo Calf Gaming Authority	April 5, 2017

Star Blanket Cree Nation prepared and follows a five year budget in accordance with ISC's Management Action Plan requirements. The consolidated budget does not include capital projects. These projects require separate applications for funding or financing, and budgets are prepared on a project-by-project basis to accompany the applications.



Star Blanket Cree Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Buildings</i>	<i>Band housing</i>	<i>CMHC housing</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Office equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	9,492,001	3,195,101	1,661,879	689,724	4,384,816	7,739	19,431,260
Acquisition of tangible capital assets	-	-	-	-	-	-	-
Transfer between classes	711,844	1,877,526	(349,256)	-	-	-	2,240,114
Balance, end of year	10,203,845	5,072,627	1,312,623	689,724	4,384,816	7,739	21,671,374
Accumulated amortization							
Balance, beginning of year	7,291,113	3,007,007	893,866	366,306	1,241,245	7,739	12,807,276
Annual amortization	319,156	85,782	65,553	53,615	110,083	-	634,189
Transfer between classes	-	349,256	(349,256)	-	-	-	-
Balance, end of year	7,610,269	3,442,045	610,163	419,921	1,351,328	7,739	13,441,465
Net book value of tangible capital assets	2,593,576	1,630,582	702,460	269,803	3,033,488	-	8,229,909
2017 Net book value of tangible capital assets	2,200,888	188,094	768,013	323,418	3,143,571	-	6,623,984



Star Blanket Cree Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Roads</i>	<i>Land - 5,646 hectares</i>	<i>TLE land - 3,120 hectares</i>	<i>Computers</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	19,431,260	149,290	2	2,065,201	91,773	21,737,526
Acquisition of tangible capital assets	-	-	-	-	-	-
Transfer between classes	2,240,114	-	-	-	-	2,240,114
Balance, end of year	21,671,374	149,290	2	2,065,201	91,773	23,977,640
Accumulated amortization						
Balance, beginning of year	12,807,276	121,674	-	-	91,773	13,020,723
Annual amortization	634,189	812	-	-	-	635,001
Transfer between classes	-	-	-	-	-	-
Balance, end of year	13,441,465	122,486	-	-	91,773	13,655,724
Net book value of tangible capital assets	8,229,909	26,804	2	2,065,201	-	10,321,916
2017 Net book value of tangible capital assets	6,623,984	27,616	2	2,065,201	-	8,716,803



Star Blanket Cree Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Construction- in-progress</i>	<i>2018</i>	<i>2017</i>
Cost				
Balance, beginning of year	21,737,526	1,613,497	23,351,023	21,127,260
Acquisition of tangible capital assets	-	882,454	882,454	2,223,763
Transfer between classes	2,240,114	(2,240,114)	-	-
Balance, end of year	23,977,640	255,837	24,233,477	23,351,023
Accumulated amortization				
Balance, beginning of year	13,020,723	-	13,020,723	12,486,562
Annual amortization	635,001	-	635,001	534,161
Transfer between classes	-	-	-	-
Balance, end of year	13,655,724	-	13,655,724	13,020,723
Net book value of tangible capital assets	10,321,916	255,837	10,577,753	10,330,300
2017 Net book value of tangible capital assets	8,716,803	1,613,497	10,330,300	



Star Blanket Cree Nation

Schedule 2 - Consolidated Schedule of Expenses by Object

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Expenses			
Administration	82,939	12,411	7,046
Advertising	7,800	4,507	7,345
Amortization	-	635,001	534,161
Assistance	100,969	152,667	157,137
Bank charges and interest	25,083	28,020	15,732
Basic needs	380,885	354,124	347,781
Community donations	-	7,500	4,503
Contracted services	190,197	550,862	360,607
Fuel	34,000	27,544	34,453
Honouraria	3,600	20,151	18,263
Insurance	130,312	192,645	183,945
Interest on long-term debt	276,918	185,239	349,629
Lunches	31,770	58,033	37,561
Management fees	-	-	30,000
Meetings	25,473	95,370	77,965
Miscellaneous	24,062	26,764	51,837
Office supplies and expenses	8,000	16,080	11,396
Paper - bingo	17,200	13,707	18,580
Prize payouts	479,500	400,798	417,857
Professional fees	86,811	243,727	204,283
Program expense	32,280	71,863	44,591
Registration fees	4,550	2,555	6,324
Rent	-	27,150	10,420
Repairs and maintenance	181,348	269,207	221,972
Salaries and benefits	775,155	826,777	927,129
Service agreements	69,096	56,720	69,174
Student allowance	88,150	114,121	89,170
Supplies	105,885	149,513	156,327
Telephone	26,943	46,328	36,158
Training	37,000	42,775	61,793
Travel	159,072	210,001	234,422
Tuition	80,000	78,095	60,751
Utilities	102,920	124,236	118,723
Youth and cultural activities	38,092	118,872	83,786
	3,606,010	5,163,363	4,990,821



Star Blanket Cree Nation Band Government

Schedule 3 - Consolidated Schedule of Segment Revenues and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada	259,298	389,133	289,703
Other revenue	98,000	100,924	223,106
FHQ Tribal Council	-	15,215	-
	357,298	505,272	512,809
Expenses			
Administration (recovery)	-	(64,615)	(29,225)
Advertising, promotion and gifts	2,000	-	-
Assistance	-	99	-
Bank charges and interest	23,433	21,645	12,437
Contracted services	20,000	12,236	27,603
Honouraria	-	-	2,000
Insurance	-	-	1,409
Interest on long-term debt	-	15,347	5,074
Lunches	5,000	5,601	6,053
Meetings	7,500	13,814	15,968
Miscellaneous	-	2,405	15,777
Office supplies and expenses	5,000	12,921	6,071
Professional fees	49,000	133,531	139,098
Program expense	-	293	-
Registration fees	-	1,590	-
Rent	-	1,881	10,120
Salaries and benefits	193,572	229,491	308,443
Service agreements	-	-	7,152
Supplies	16,000	20,268	10,371
Telephone	18,400	30,092	14,830
Training	5,000	8,575	750
Travel	61,000	45,121	36,132
Youth and cultural activities	-	15,125	59
	405,905	505,420	590,122
Deficit	(48,607)	(148)	(77,313)



**Star Blanket Cree Nation
Capital**

Schedule 4 - Consolidated Schedule of Revenues and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada	-	205,498	57,289
Expenses			
Administration	-	5,000	-
Amortization	-	551,215	436,316
Meetings	-	1,950	-
	-	558,165	436,316
Deficit	-	(352,667)	(379,027)



Star Blanket Cree Nation Economic Development

Schedule 5 - Consolidated Schedule of Segment Revenues and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Revenues			
Indigenous Services Canada	-	25,500	-
Bingo revenue	685,000	612,557	649,122
Rental income	319,967	370,089	379,638
First Nations Trust	234,760	224,389	221,284
Other revenue	(84,150)	95,879	29,026
FHQ Casino Holdings Ltd.	60,000	60,000	60,000
FHQ Tribal Council	30,000	36,597	30,000
	1,245,577	1,425,011	1,369,070
Expenses			
Advertising, promotion and gifts	4,300	3,387	2,337
Amortization	-	18,233	18,322
Assistance	8,597	-	-
Bank charges and interest	1,500	2,079	2,192
Community donations	-	7,500	4,503
Contracted services	44,050	61,626	65,694
Honouraria	3,600	20,151	16,263
Insurance	5,500	7,176	10,557
Interest on long-term debt	60,705	140,430	289,989
Meetings	-	39,516	27,886
Miscellaneous	1,100	11,419	12,075
Office supplies and expenses	2,750	3,159	4,342
Paper - bingo	17,200	13,707	18,580
Prize payouts	479,500	400,798	417,857
Professional fees	29,620	100,057	56,490
Registration fees	-	-	1,099
Rent	-	25,269	-
Repairs and maintenance	37,150	37,549	84,008
Salaries and benefits	111,794	136,679	137,294
Service agreements	41,300	25,836	29,536
Supplies	3,570	8,461	8,511
Telephone	2,000	8,136	11,647
Training	-	9,404	26,073
Travel	2,400	19,848	30,545
Utilities	17,500	15,077	12,845
	874,136	1,115,497	1,288,645
Surplus before other items	371,441	309,514	80,425

Continued on next page



Star Blanket Cree Nation
Economic Development

Schedule 5 - Consolidated Schedule of Segment Revenues and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Surplus before other items <i>(Continued from previous page)</i>	371,441	309,514	80,425
Other items			
Valuation loss on investments	-	-	(985,500)
Forgiveness of debt	-	-	2,695,854
	-	-	1,710,354
Surplus before transfers	371,441	309,514	1,790,779
Transfers between programs	-	(91,884)	(97,368)
Surplus	371,441	217,630	1,693,411



Star Blanket Cree Nation Education

Schedule 6 - Consolidated Schedule of Segment Revenues and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Revenues			
Indigenous Services Canada	501,498	552,759	502,128
FHQ Tribal Council	6,192	6,192	4,894
Other revenue	10,000	677	338
	517,690	559,628	507,360
Expenses			
Administration	-	34,588	-
Assistance	11,000	8,637	9,023
Contracted services	74,905	87,262	82,222
Fuel	22,000	20,761	21,453
Insurance	5,028	4,955	5,379
Interest on long-term debt	51,480	5,082	13,353
Lunches	2,270	35,210	4,749
Meetings	400	1,600	800
Miscellaneous	-	346	9,210
Professional fees	2,700	-	205
Program expense	17,500	14,387	28,855
Registration fees	2,200	340	2,118
Rent	-	-	300
Repairs and maintenance	15,000	21,698	22,163
Salaries and benefits	48,684	72,651	76,579
Student allowance	88,150	114,121	89,170
Supplies	19,260	18,588	19,681
Telephone	-	1,200	3,000
Training	4,000	-	3,942
Travel	12,600	9,600	9,823
Tuition	80,000	78,095	60,751
Utilities	700	560	560
	457,877	529,681	463,336
Surplus	59,813	29,947	44,024



Star Blanket Cree Nation Health

Schedule 7 - Consolidated Schedule of Segment Revenues and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Revenue			
Health Canada	65,347	335,305	544,862
File Hills Community Health Services Inc.	189,099	198,987	188,379
FHQ Tribal Council	90,032	93,919	101,658
Other revenue	-	1,270	19,000
	344,478	629,481	853,899
Expenses			
Administration	28,629	33,838	30,021
Advertising, promotion and gifts	1,500	1,120	970
Assistance	2,500	15,021	15,353
Contracted services	10,500	25,976	10,860
Insurance	1,500	1,608	-
Lunches	5,000	12,021	10,449
Meetings	10,173	17,210	15,990
Miscellaneous	3,162	12,556	12,297
Office supplies and expenses	250	-	-
Professional fees	621	-	310
Program expense	7,000	50,120	2,545
Registration fees	1,750	275	2,711
Repairs and maintenance	-	75	360
Salaries and benefits	168,901	168,486	174,726
Supplies	13,728	34,775	22,899
Telephone	4,143	3,500	1,800
Training	2,200	2,939	2,270
Travel	59,609	103,924	85,855
Youth and cultural activities	3,318	13,433	11,243
	324,484	496,877	400,659
Surplus	19,994	132,604	453,240



Star Blanket Cree Nation Housing

Schedule 8 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada	90,294	920,606	1,347,416
Canada Mortgage and Housing Corporation	58,118	69,192	56,831
Other revenue	-	8,801	24,471
Rental income	63,864	-	14,142
	212,276	998,599	1,442,860
Expenses			
Administration	10,080	2,000	-
Amortization	-	65,553	79,523
Bank charges and interest	-	4,167	735
Contracted services	20,000	291,480	107,747
Fuel	-	105	250
Insurance	61,747	60,000	79,179
Interest on long-term debt	69,873	13,922	22,114
Management fees	-	-	30,000
Meetings	-	1,550	606
Professional fees	4,870	10,139	8,180
Program expense	-	2,700	1,100
Registration fees	-	-	115
Repairs and maintenance	30,198	175,791	86,569
Salaries and benefits	-	10,774	2,046
Supplies	20,294	45,768	72,038
Telephone	-	-	100
Training	-	-	250
Travel	-	1,625	5,726
	217,062	685,574	496,278
Surplus (deficit)	(4,786)	313,025	946,582



Star Blanket Cree Nation Operations and Maintenance

Schedule 9 - Consolidated Schedule of Segment Revenues and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Revenues			
Indigenous Services Canada	445,970	407,817	412,994
FHQ Tribal Council	-	5,089	(5,089)
Other revenue	-	-	22,131
	445,970	412,906	430,036
Expenses			
Administration	41,405	-	4,050
Bank charges and interest	150	-	191
Contracted services	14,959	66,281	56,273
Fuel	12,000	6,678	12,750
Insurance	56,537	118,906	87,420
Miscellaneous	-	39	-
Program expense	2,400	-	700
Registration fees	600	300	-
Repairs and maintenance	99,000	34,094	28,872
Salaries and benefits	175,613	137,642	137,114
Service agreements	27,796	30,884	32,486
Supplies	29,112	9,969	20,005
Telephone	-	-	1,781
Training	4,000	1,725	100
Travel	5,500	10,520	10,599
Utilities	84,720	108,599	105,319
	553,792	525,637	497,660
Deficit before other items	(107,822)	(112,731)	(67,624)
Other items			
Gain on disposal of tangible capital asset	-	-	20,000
Deficit	(107,822)	(112,731)	(47,624)



**Star Blanket Cree Nation
Reserves and Trusts**

Schedule 10 - Consolidated Schedule of Segment Revenues and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada	5,000	5,007	5,000
Other revenue	-	196	166
FHQ Tribal Council	-	-	1,582
	5,000	5,203	6,748
Expenses			
Contracted services	-	4,200	4,200
Salaries and benefits	4,279	96	108
Supplies	121	372	690
Travel	600	2,742	4,623
	5,000	7,410	9,621
Deficit	-	(2,207)	(2,873)



Star Blanket Cree Nation Social Development

Schedule 11 - Consolidated Schedule of Segment Revenues and Expenses

For the year ended March 31, 2018

	2018 Budget (Note 18)	2018 Actual	2017 Actual
Revenues			
Indigenous Services Canada	561,341	524,221	524,369
Other revenue	229,075	37,284	57,135
FHQ Tribal Council	48,775	24,498	41,425
Living Skies Community Development Corporation	-	-	35,949
	839,191	586,003	658,878
Expenses			
Administration	2,825	1,600	2,200
Advertising, promotion and gifts	-	-	4,038
Assistance	78,872	128,910	132,761
Bank charges and interest	-	131	177
Basic needs	380,885	354,124	347,781
Contracted services	5,783	1,800	6,008
Interest on long-term debt	94,860	10,457	19,100
Lunches	19,500	5,201	16,309
Meetings	7,400	19,730	16,716
Miscellaneous	19,800	-	2,479
Office supplies and expenses	-	-	983
Program expense	5,380	4,364	11,391
Registration fees	-	50	280
Salaries and benefits	72,311	70,952	90,819
Supplies	3,800	11,311	2,131
Telephone	2,400	3,400	3,000
Training	21,800	20,131	28,409
Travel	17,363	16,621	51,120
Youth and cultural activities	34,775	90,320	72,482
	767,754	739,102	808,184
Surplus (deficit) before transfers	71,437	(153,099)	(149,306)
Transfers between programs	-	91,884	97,368
Surplus (deficit)	71,437	(61,215)	(51,938)