



**Star Blanket Cree Nation
Consolidated Financial Statements**
March 31, 2019



Star Blanket Cree Nation Contents

For the year ended March 31, 2019

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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 fulfills 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 4, 2019

Signed by: Sonya Starr

Management

Independent Auditor's Report

To the Members of Star Blanket Cree Nation:

Opinion

We have audited the consolidated financial statements of Star Blanket Cree Nation (the "Cree Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net debt, and cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Cree Nation as at March 31, 2019, and the results of its consolidated operations, its consolidated changes in net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

Independent Auditor's 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 consolidated 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 Cree Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cree Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Cree Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Cree Nation to express an opinion on the consolidated 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Saskatoon, Saskatchewan

July 4, 2019

MNP LLP

Chartered Professional Accountants



Star Blanket Cree Nation
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	2018
Financial assets		
Current		
Cash resources	369,288	217,448
Accounts receivable (Note 4)	53,908	108,260
Restricted cash (Note 5)	2,816,699	264,960
	3,239,895	590,668
Restricted cash (Note 5)	209,509	202,604
Portfolio investments (Note 6)	60,000	60,000
Funds held in trust (Note 7)	9,267	9,059
Due from Star Blanket Treaty Land Entitlement (Note 8)	124,712	101,288
Total financial assets	3,643,383	963,619
Liabilities		
Current		
Bank indebtedness (Note 9)	287,386	198,072
Accounts payable and accruals	451,406	506,045
Deferred revenue (Note 10)	2,833,437	251,971
Due to Star Blanket Treaty Land Entitlement Trust (Note 8)	60,000	60,000
Goods and Services Tax payable	2,420	2,925
Current portion of long-term debt (Note 11)	378,000	718,000
	4,012,649	1,737,013
Long-term debt (Note 11)	2,298,355	2,671,484
Total financial liabilities	6,311,004	4,408,497
Net debt	(2,667,621)	(3,444,878)
Non-financial assets		
Tangible capital assets (Note 12)	10,339,021	10,577,753
Inventories of supplies	1,367	1,367
Prepaid expenses	3,489	30,614
Total non-financial assets	10,343,877	10,609,734
Accumulated surplus (Note 13)	7,676,256	7,164,856

Approved on behalf of Chief and Council

Signed by: Michael G. Starr

Chief

Signed by: Renita Starr-Whitecap

Councillor

Signed by: Catherine Stonechild

Signed by: Norman (Edgar) Starr

Signed by: Joanne Starr



Star Blanket Cree Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

	<i>Schedules</i>	<i>2019 Budget (Note 18)</i>	<i>2019 Actual</i>	<i>2018 Actual</i>
Revenues				
Indigenous Services Canada (Note 16)		1,962,112	2,977,510	3,030,541
Health Canada (Note 17)		492,708	376,966	335,305
Bingo revenue		670,000	581,406	612,557
Rental income		353,417	385,283	370,089
FHQ Tribal Council		51,045	273,897	181,509
Other revenue		103,474	202,676	245,032
First Nations Trust		233,611	222,795	224,389
Canada Mortgage and Housing Corporation		121,982	114,337	69,192
National Indian Brotherhood Trust		-	90,000	-
FHQ Casino Holdings		-	60,000	60,000
Living Skies Community Development Corporation		-	28,938	-
File Hills Community Health Services Inc.		-	-	198,987
		3,988,349	5,313,808	5,327,601
Program expenses				
Band Government	3	386,642	487,646	505,420
Capital	4	130,566	539,641	558,165
Economic Development	5	1,116,232	1,392,894	1,115,497
Education	6	577,869	535,183	529,681
Health	7	492,405	497,026	486,877
Housing	8	257,324	414,196	695,574
Operations and Maintenance	9	475,264	549,080	525,637
Reserves and Trusts	10	5,143	6,657	7,410
Social Development	11	509,266	947,860	739,102
Total expenses		3,950,711	5,370,183	5,163,363
Surplus before other items		37,638	(56,375)	164,238
Other items				
Contribution from Star Blanket TLE		-	461,775	-
Contribution from Star Blanket TLE - Solar Project		-	80,000	-
Gain on disposal of land		-	26,000	-
		-	567,775	-
Annual surplus		37,638	511,400	164,238
Accumulated surplus, beginning of year		7,164,856	7,164,856	7,000,618
Accumulated surplus, end of year (Note 13)		7,202,494	7,676,256	7,164,856



Star Blanket Cree Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
Annual surplus	37,638	511,400	164,238
Purchases of tangible capital assets	-	(418,748)	(882,454)
Amortization of tangible capital assets	130,566	603,480	635,001
Gain on sale of land	-	(26,000)	-
Proceeds of disposal of land	-	80,000	-
Acquisition of prepaid expenses	-	-	(24,749)
Use of prepaid expenses	-	27,125	-
Change in net debt	168,204	777,257	(107,964)
Net debt, beginning of year	(3,444,878)	(3,444,878)	(3,336,914)
Net debt, end of year	(3,276,674)	(2,667,621)	(3,444,878)

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, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	511,400	164,238
Non-cash items		
Amortization	603,480	635,001
Contribution from Star Blanket TLE	(360,000)	-
Gain on disposal of land	(26,000)	-
	728,880	799,239
Changes in working capital accounts		
Accounts receivable	54,352	72,182
Prepaid expenses	27,125	(24,749)
Accounts payable and accruals	(54,639)	(312,332)
Deferred revenue	2,581,466	(661,218)
Goods and Services Tax payable	(505)	(3,194)
	3,336,679	(130,072)
Financing activities		
Advances of long-term debt	-	719,508
Repayments of long-term debt	(353,129)	(822,623)
Increase in bank indebtedness	89,314	123,495
	(263,815)	20,380
Capital activities		
Purchases of tangible capital assets	(418,748)	(882,454)
Proceeds of disposal of land	80,000	-
	(338,748)	(882,454)
Investing activities		
Increase in funds held in trust	(208)	(196)
Decrease (increase) in restricted cash	(2,558,644)	777,628
Increase in due from Star Blanket Treaty Land Entitlement Trust	(23,424)	(4,234)
Disposal of Can Elson Drilling LP#3 Investment	-	200,000
	(2,582,276)	973,198
Increase (decrease) in cash resources	151,840	(18,948)
Cash resources, beginning of year	217,448	236,396
Cash resources, end of year	369,288	217,448



Star Blanket Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

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 policy

Effective April 1, 2018, the Cree Nation adopted the recommendations relating to the following Sections as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 Restructuring Transactions

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 Section.

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.

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.



Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

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
Equipment	3 - 10 years
Infrastructure	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 Cree Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Cree Nation is determined by its 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, 2019

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.

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, 2019

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, 2019.

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, 2019.

4. Accounts receivable

	2019	2018
Rent receivable	18,331	53,038
Members	13,031	13,031
FHQ Tribal Council	10,704	45,335
National Indian Brotherhood Trust	9,000	-
Health Canada	7,500	-
Canada Mortgage and Housing Corporation	3,184	4,806
Other	1,151	1,043
	62,901	117,253
Allowance for doubtful accounts	(8,993)	(8,993)
	53,908	108,260

5. Restricted cash

	2019	2018
Current		
ISC - capital projects	2,796,093	260,886
Health Canada - capital project	20,606	4,074
	2,816,699	264,960
Long-term		
CMHC replacement reserve - bank	7,550	2,747
CMHC replacement reserve - GIC	123,681	121,469
CMHC operating reserve - bank	4	259
CMHC operating reserve - GIC	47,159	47,072
CMHC operating reserve - GIC	31,115	31,057
	209,509	202,604
	3,026,208	467,564



Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

6. Portfolio investments

	2019	2018
FHQ Casino Holdings Ltd.	60,000	60,000

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 Cree Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the Cree Nation's Council.

	2019	2018
Capital Trust		
Balance, beginning and end of year	5,960	5,960
Revenue Trust		
Balance, beginning of year	3,099	2,903
Interest	208	196
Balance, end of year	3,307	3,099
Total funds in trust, end of year	9,267	9,059

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.

During the year, the Star Blanket Treaty Land Entitlement Trust economic development loan of \$360,000 and the related accrued interest payable of \$101,775 was forgiven on account that the related investment is no longer held by the Cree Nation. The \$441,775 has been recorded as a contribution from the Star Blanket Treaty Land Entitlement Trust.

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, 2019, the Cree Nation has drawn \$75,007 (2018 - \$72,805) 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 \$225,000 (2018 - \$60,000). Interest is payable at 24%. At March 31, 2019, the Cree Nation has drawn \$140,655 (2018 - \$21,586) 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, 2019

10. Deferred revenue

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

As of March 31, 2019, deferred revenue consists of:

	<i>Balance, beginning of year</i>	<i>Amounts received in current year</i>	<i>Amounts expended in current year</i>	<i>Balance, end of year</i>
ISC - WTP upgrade	127,238	3,000,000	377,931	2,749,307
ISC - School feasibility study	73,050	-	19,200	53,850
Health Canada - Health Clinic	-	25,000	7,763	17,237
ISC - Triplex construction	15,530	-	15,530	-
Health Canada - Headstart building	6,184	-	6,184	-
ISC - Lebret lot servicing	16,926	-	16,926	-
Tenant rents	13,043	-	-	13,043
	251,971	3,025,000	443,534	2,833,437

11. Long-term debt

	<i>2019</i>	<i>2018</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.	75,645	87,282
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 May 2019.	171,068	186,864
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.	104,535	110,325
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.	190,555	199,748
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.	92,273	98,643
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.	1,382,454	1,549,879
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.	597,339	698,481
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.	38,574	66,843



Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

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 \$70,000.	23,912	31,419
Star Blanket Treaty Land Entitlement Trust economic development loan	-	360,000
	2,676,355	3,389,484
Less: current portion	378,000	718,000
	2,298,355	2,671,484

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.

2020	378,000
2021	377,000
2022	386,000
2023	401,000
2024	394,000

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, 2019
Water Treatment Plant upgrade	3,300,000	560,183
Subdivision (lot servicing)	100,000	90,509
Health Centre	825,000	7,763
Total	4,225,000	658,455

Assets under construction are financed by Indigenous Services Canada and Health Canada, and are managed by third party contractors.

13. Accumulated surplus

Accumulated surplus consists of the following:

	2019	2018
Equity in funds held in trust	9,267	9,059
Canada Mortgage and Housing Corporation reserves	249,761	236,375
Equity in tangible capital assets	9,642,460	9,796,628
Unrestricted deficit	(2,225,232)	(2,877,206)
	7,676,256	7,164,856

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).



Star Blanket Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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, 2019, \$149,976 (2018 - \$137,061) has been charged to this reserve. At March 31, 2019 the reserve is underfunded \$18,744 (2018 - underfunded - \$12,845).
- 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, 2019, \$99,785 (2018 - \$99,314) has been charged to this reserve. At March 31, 2019 the reserve is underfunded \$21,507 (2018 - underfunded - \$20,927).

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, 2019

16. Reconciliation of Indigenous Services Canada funding

	2019	2018
Funding per confirmation	5,547,923	2,285,003
Less: Deferred revenue		
Water plant upgrade funding	(2,749,307)	(127,238)
School feasibility study funding	(53,850)	(73,050)
Lebret lot servicing	-	(16,926)
Triplex funding	-	(15,530)
	(2,803,157)	(232,744)
Plus: Prior year deferred revenue recognized		
Triplex funding	15,530	461,693
Immediate Needs Renovations funding	-	82,670
School Feasibility Study funding	73,050	80,000
Water treatment plant upgrade funding	127,238	50,587
Lot servicing	-	11,207
Lebret lot servicing	16,926	-
	232,744	686,157
Collected (uncollected) government transfers		
Water treatment plant upgrade	-	237,000
Subdivision expansion	-	55,125
	-	292,125
	2,977,510	3,030,541

17. Reconciliation of Health Canada funding

	2019	2018
Funding per confirmation	389,561	127,536
Plus: Prior year deferred Headstart Capital funding	6,184	214,693
Less: Unspent Capital funding	(17,237)	(6,184)
Less: funding adjustment	(1,542)	(740)
	376,966	335,305

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 2018
White Buffalo Calf Gaming Authority	April 2018

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
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

19. Comparative figures

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



Star Blanket Cree Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	<i>Buildings</i>	<i>Band housing</i>	<i>CMHC housing</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Land - 8,766 hectares</i>	<i>Subtotal</i>
<hr/>							
Cost							
Balance, beginning of year	10,203,845	5,072,627	1,312,623	789,236	4,534,106	2,065,203	23,977,640
Acquisition of tangible capital assets	-	16,130	-	-	-	-	16,130
Disposal of tangible capital assets	-	-	-	-	-	(54,000)	(54,000)
Balance, end of year	10,203,845	5,088,757	1,312,623	789,236	4,534,106	2,011,203	23,939,770
<hr/>							
Accumulated amortization							
Balance, beginning of year	7,610,269	3,442,045	610,163	519,433	1,473,814	-	13,655,724
Annual amortization	296,438	86,424	65,553	45,092	109,973	-	603,480
Balance, end of year	7,906,707	3,528,469	675,716	564,525	1,583,787	-	14,259,204
Net book value of tangible capital assets	2,297,138	1,560,288	636,907	224,711	2,950,319	2,011,203	9,680,566
2018 Net book value of tangible capital assets	2,593,576	1,630,582	702,460	269,803	3,060,292	2,065,203	10,321,916



Star Blanket Cree Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	<i>Subtotal</i>	<i>Construction-in-progress</i>	<i>2019</i>	<i>2018</i>
Cost				
Balance, beginning of year	23,977,640	255,837	24,233,477	23,351,023
Acquisition of tangible capital assets	16,130	402,618	418,748	882,454
Disposal of tangible capital assets	(54,000)	-	(54,000)	-
Balance, end of year	23,939,770	658,455	24,598,225	24,233,477
Accumulated amortization				
Balance, beginning of year	13,655,724	-	13,655,724	13,020,723
Annual amortization	603,480	-	603,480	635,001
Balance, end of year	14,259,204	-	14,259,204	13,655,724
Net book value of tangible capital assets	9,680,566	658,455	10,339,021	10,577,753
2018 Net book value of tangible capital assets	10,321,916	255,837	10,577,753	



Star Blanket Cree Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
Expenses			
Administration	73,731	(1,587)	12,411
Advertising	6,500	24,903	12,007
Amortization	130,566	603,480	635,001
Assistance	14,801	178,525	152,667
Bank charges and interest	1,850	36,143	28,020
Basic needs	350,627	367,770	354,124
Contracted services	193,608	290,312	550,862
Economic development contribution	-	80,000	-
Fuel	36,500	48,006	27,544
Honouraria	3,600	13,761	20,151
Insurance	142,300	201,724	192,645
Interest on long-term debt	225,000	127,276	185,239
Lunches	48,167	87,357	58,033
Management fees	-	14,247	-
Meetings	45,956	86,666	95,370
Miscellaneous	9,848	42,216	26,764
Office supplies and expenses	7,120	71,668	16,080
Paper - bingo	17,200	16,815	13,707
Prize payouts	469,035	375,483	400,798
Professional fees	105,150	216,712	243,727
Program expense	38,274	40,325	71,863
Registration fees	1,600	4,378	2,555
Rent	28,900	31,607	27,150
Repairs and maintenance	268,005	242,310	269,207
Salaries and benefits	984,114	991,343	826,777
Service agreements	51,184	76,096	56,720
Student allowance	115,401	108,677	114,121
Supplies	98,262	203,923	149,513
Telephone	26,936	54,001	46,328
Training	71,225	122,529	42,775
Travel	162,376	277,800	210,001
Tuition	90,000	67,272	78,095
Utilities	102,575	169,285	124,236
Youth and cultural activities	30,300	99,160	118,872
	3,950,711	5,370,183	5,163,363



Star Blanket Cree Nation

Band Government

Schedule 3 - Consolidated Schedule of Segment Revenues and Expenses

For the year ended March 31, 2019

	2019	2018
Revenue		
Indigenous Services Canada	461,678	389,133
FHQ Tribal Council	42,578	15,215
Other revenue	31,255	100,924
	535,511	505,272
 Expenses		
Administration (recovery)	(173,559)	(64,615)
Assistance	-	99
Bank charges and interest	33,465	21,645
Contracted services	21,408	12,236
Insurance	1,071	-
Interest on long-term debt	2,693	15,347
Lunches	4,578	5,601
Meetings	19,430	13,814
Miscellaneous	4,186	2,405
Office supplies and expenses	20,386	12,921
Professional fees	128,571	133,531
Program expense	-	293
Registration fees	-	1,590
Rent	-	1,881
Salaries and benefits	282,069	229,491
Supplies	7,536	20,268
Telephone	33,522	30,092
Training	12,770	8,575
Travel	53,356	45,121
Utilities	36,164	-
Youth and cultural activities	-	15,125
	487,646	505,420
 Surplus (deficit)	47,865	(148)



Star Blanket Cree Nation
Capital
Schedule 4 - Consolidated Schedule of Revenues and Expenses
For the year ended March 31, 2019

	2019	2018
Revenue		
Indigenous Services Canada	414,056	205,498
Expenses		
Administration	10,000	5,000
Amortization	520,441	551,215
Contracted services	3,200	-
Management fees	2,250	-
Meetings	3,750	1,950
	539,641	558,165
Deficit	(125,585)	(352,667)



Star Blanket Cree Nation
Economic Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019	2018
Revenue		
Indigenous Services Canada	282,123	25,500
Bingo revenue	581,406	612,557
Rental income	379,086	370,089
First Nations Trust	222,795	224,389
Other revenue	108,348	95,879
National Indian Brotherhood Trust	90,000	-
FHQ Casino Holdings Ltd.	60,000	60,000
FHQ Tribal Council	5,000	36,597
	1,728,758	1,425,011
Expenses		
Administration	18,554	-
Advertising, promotion and gifts	24,553	10,887
Amortization	17,486	18,233
Bank charges and interest	1,227	2,079
Contracted services	100,459	61,626
Economic development contribution	80,000	-
Honouraria	13,761	20,151
Insurance	4,428	7,176
Interest on long-term debt	91,247	140,430
Lunches	9,771	-
Management fees	10,997	-
Meetings	38,950	39,516
Miscellaneous	36,148	11,419
Office supplies and expenses	49,645	3,159
Paper - bingo	16,815	13,707
Prize payouts	375,483	400,798
Professional fees	67,678	100,057
Rent	31,607	25,269
Repairs and maintenance	34,752	37,549
Salaries and benefits	176,767	136,679
Service agreements	26,718	25,836
Supplies	42,345	8,461
Telephone	8,129	8,136
Training	45,528	9,404
Travel	55,229	19,848
Utilities	13,488	15,077
Youth and cultural activities	1,129	-
	1,392,894	1,115,497
Surplus before other items	335,864	309,514
Other income (expense)		
Gain on disposal of land	26,000	-
Contribution from Star Blanket TLE	461,775	-
Contribution from Star Blanket TLE - Solar project	80,000	-
	567,775	-
Transfers between programs	(87,695)	(91,884)
Surplus	815,944	217,630



Star Blanket Cree Nation
Education
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019	2018
Revenue		
Indigenous Services Canada	586,085	552,759
FHQ Tribal Council	4,028	6,192
Other revenue	-	677
	590,113	559,628
Expenses		
Administration	46,358	34,588
Assistance	9,870	8,637
Contracted services	73,724	87,262
Fuel	41,387	20,761
Insurance	4,877	4,955
Interest on long-term debt	3,256	5,082
Lunches	33,421	35,210
Meetings	1,629	1,600
Miscellaneous	-	346
Office supplies and expenses	150	-
Program expense	9,512	14,387
Registration fees	2,908	340
Repairs and maintenance	20,873	21,698
Salaries and benefits	64,864	72,651
Student allowance	108,677	114,121
Supplies	20,129	18,588
Telephone	1,200	1,200
Training	605	-
Travel	9,104	9,600
Tuition	67,272	78,095
Utilities	5,385	560
Youth and cultural activities	9,982	-
	535,183	529,681
Surplus	54,930	29,947



**Star Blanket Cree Nation
Health**

Schedule 7 - Consolidated Schedule of Segment Revenues and Expenses

For the year ended March 31, 2019

	2019	2018
Revenue		
Health Canada	376,966	335,305
Indigenous Services Canada	38,525	-
FHQ Tribal Council	168,767	93,919
Other revenue	2,753	1,270
File Hills Community Health Services Inc.	-	198,987
	587,011	629,481
Expenses		
Administration	51,314	32,063
Advertising, promotion and gifts	350	1,120
Assistance	10,886	15,021
Bank charges and interest	168	-
Contracted services	15,578	17,752
Insurance	824	1,608
Lunches	16,784	12,021
Management fees	1,000	-
Meetings	14,921	17,210
Miscellaneous	1,883	12,556
Office supplies and expenses	1,410	-
Professional fees	464	-
Program expense	8,478	50,120
Registration fees	1,320	275
Repairs and maintenance	3,565	75
Salaries and benefits	201,841	168,485
Supplies	34,461	34,775
Telephone	5,300	3,500
Training	9,115	2,939
Travel	103,647	103,924
Youth and cultural activities	13,717	13,433
	497,026	486,877
Surplus	89,985	142,604



Star Blanket Cree Nation
Housing

Schedule 8 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2019

	2019	2018
Revenue		
Indigenous Services Canada	196,096	920,606
Canada Mortgage and Housing Corporation	114,337	69,192
Other revenue	29,951	8,801
Rental income	6,197	-
	346,581	998,599
Expenses		
Administration	2,000	3,775
Amortization	65,553	65,553
Bank charges and interest	1,122	4,167
Contracted services	5,070	299,705
Fuel	100	105
Insurance	70,000	60,000
Interest on long-term debt	10,031	13,922
Meetings	2,350	1,550
Professional fees	-	10,139
Program expense	2,600	2,700
Repairs and maintenance	131,206	175,791
Salaries and benefits	53,822	10,774
Supplies	51,517	45,768
Telephone	1,700	-
Training	2,907	-
Travel	14,218	1,625
	414,196	695,574
Surplus (deficit)	(67,615)	303,025



Star Blanket Cree Nation
Operations and Maintenance
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019	2018
Revenue		
Indigenous Services Canada	436,988	407,817
FHQ Tribal Council	5,089	5,089
	442,077	412,906
 Expenses		
Administration	31,195	-
Contracted services	55,919	66,281
Fuel	6,520	6,678
Insurance	120,523	118,906
Meetings	600	-
Miscellaneous	-	39
Registration fees	-	300
Repairs and maintenance	47,043	34,094
Salaries and benefits	119,889	137,642
Service agreements	49,378	30,884
Supplies	11,473	9,969
Training	-	1,725
Travel	8,924	10,520
Utilities	97,616	108,599
	549,080	525,637
 Deficit	(107,003)	(112,731)



Star Blanket Cree Nation
Reserves and Trusts

Schedule 10 - Consolidated Schedule of Segment Revenues and Expenses

For the year ended March 31, 2019

	2019	2018
Revenue		
Indigenous Services Canada	5,143	5,007
FHQ Tribal Council	363	-
Other revenue	208	196
	5,714	5,203
 Expenses		
Contracted services	4,200	4,200
Salaries and benefits	98	96
Supplies	40	372
Travel	2,319	2,742
	6,657	7,410
 Deficit	(943)	(2,207)



Star Blanket Cree Nation
Social Development
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019	2018
Revenue		
Indigenous Services Canada	556,816	524,221
FHQ Tribal Council	48,072	24,498
Other revenue	30,161	37,284
Living Skies Community Development Corporation	28,938	-
	663,987	586,003
Expenses		
Administration	12,552	1,600
Assistance	157,768	128,910
Bank charges and interest	161	131
Basic needs	367,770	354,124
Contracted services	10,754	1,800
Interest on long-term debt	20,050	10,457
Lunches	22,804	5,201
Meetings	5,036	19,730
Office supplies and expenses	77	-
Professional fees	20,000	-
Program expense	19,735	4,364
Registration fees	150	50
Repairs and maintenance	4,865	-
Salaries and benefits	91,994	70,952
Supplies	36,423	11,311
Telephone	4,150	3,400
Training	51,604	20,131
Travel	31,003	16,621
Utilities	16,633	-
Youth and cultural activities	74,331	90,320
	947,860	739,102
Deficit before transfers	(283,873)	(153,099)
Transfers between programs	87,695	91,884
Deficit	(196,178)	(61,215)