

Little Red River Cree Nation
Consolidated Financial Statements
March 31, 2018

Little Red River Cree Nation

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For the year ended March 31, 2018

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Little Red River Cree Nation

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Management's Responsibility

To the Members of Little Red River Cree Nation:

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

Management is responsible for the preparation and presentation of the accompanying 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 consolidated financial statements.

Chief and Council of the Little Red River Cree Nation is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by Chief and Council on behalf of the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

Director of Nation
Programs and
Services

Independent Auditors' Report

To the Members of Little Red River Cree Nation:

We have audited the accompanying consolidated financial statements of Little Red River Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, 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 consolidated 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 Little Red River Cree Nation as at March 31, 2018 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Leduc, Alberta

July 5, 2018

MNP LLP

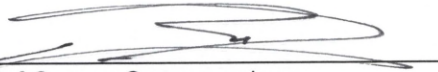
Chartered Professional Accountants



Little Red River Cree Nation

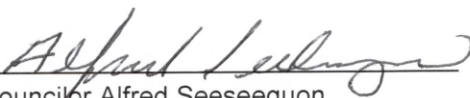
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Approved at a meeting of Council on June 27, 2018

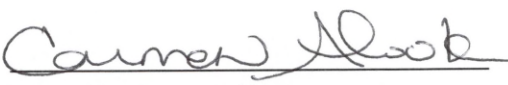

Chief Conroy Sewepagaham

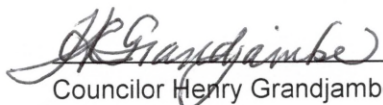

Councilor Leslie Joe Laboucan


Councilor Murphy Ribbonleg


Councilor Alfred Seeseequon


Councilor Malcolm St. Arnault

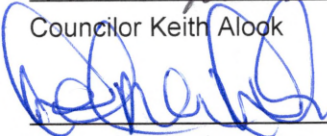

Councilor Carmen Alook


Councilor Henry Grandjambe

Councilor John Laboucan


Councilor Willard Tallcree


Councilor Keith Alook


Councilor Delmer D'or

Little Red River Cree Nation
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017
Financial assets		
Current		
Cash (Note 3)	42,848,589	18,441,263
Accounts receivable - Indigenous Services Canada	294,157	1,092,243
Accounts receivable - other	3,258,047	1,796,631
Term deposits	101,694	101,087
	46,502,487	21,431,224
Investment in and advances to First Nation business entities (Note 4)	5,172,649	7,681,744
Funds held in trust (Note 5)	1,508,465	1,468,960
Short term deposits - restricted (Note 6)	324,030	321,292
Investment in UFA Cooperative Ltd.	26,183	26,183
Total financial assets	53,533,814	30,929,403
Liabilities		
Current		
Accounts payable and accruals	9,966,318	9,776,174
Deferred revenue (Note 7)	41,494,122	13,342,327
Current portion of long-term debt (Note 8)	253,807	247,916
	51,714,247	23,366,417
Long-term debt (Note 8)	937,044	1,056,355
Total liabilities	52,651,291	24,422,772
Net financial assets	882,523	6,506,631
Contingent liabilities (Note 9)		
Non-financial assets		
Tangible capital assets (Note 11) (Schedule 1)	96,211,633	67,246,426
Inventory for First Nation use	130,000	130,000
Prepaid expenses	397,223	218,951
Total non-financial assets	96,738,856	67,595,377
Accumulated surplus (Note 17)	97,621,379	74,102,008
Approved by a quorum of Chief and Council		

The accompanying notes are an integral part of these financial statements

Little Red River Cree Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue				
Indigenous Services Canada capital funding		207,045	62,072,037	28,645,318
Indigenous Services Canada operating funding		35,011,247	49,830,479	48,017,966
Health Canada capital funding		-	4,450,050	7,671,329
Health Canada operating funding		3,817,204	3,929,073	3,615,104
First Nations Development Fund		-	1,139,948	1,065,374
Employment and Social Development Canada		902,498	949,519	1,062,440
Canada Mortgage and Housing Corporation		20,000	57,825	55,869
Province of Alberta		351,734	3,159,761	1,122,457
Other		173,845	564,275	273,199
Rental income		191,181	276,134	2,626,388
Child tax benefits		-	265,485	309,334
Alberta Remote Area Heating Allowances		125,000	230,316	175,982
Barge fees		175,000	197,478	311,906
Rental of teacherages		113,000	129,606	118,512
User fees		45,000	74,236	55,218
CALP grant		-	66,027	54,777
Recovery of Goods and Services Tax rebates		-	37,185	134,623
Treaty 8 First Nations of Alberta		75,000	-	240,650
Askee Development Corporation		200,000	-	150,000
North Peace Tribal Council		-	-	131,876
Prior year funding adjustments		-	-	(2,183)
Transfer from deferred revenue		-	13,342,327	7,058,739
Transfer to deferred revenue		-	(41,494,122)	(13,342,327)
		41,407,754	99,277,639	89,552,551
Expenses				
Administration Segment	3	4,131,510	5,330,508	4,284,696
Economic Development Segment	4	206,542	215,951	175,111
Environment Segment	5	135,000	135,000	145,000
First Nations Development Fund Segment	6	-	1,358,768	608,519
Health Services Segment	7	3,500,770	3,397,874	3,402,890
Community Services Segment	8	4,167,025	12,055,282	11,219,870
Community Infrastructure Segment	9	7,494,329	23,539,060	19,075,793
Board of Education Segment	11	13,653,544	19,379,160	15,659,046
Mamawi Awasis Society Segment	12	8,167,490	8,328,182	7,929,467
Total expenses		41,456,210	73,739,785	62,500,392
Surplus (deficit) before other items		(48,456)	25,537,854	27,052,159
Other income (expense)				
Change in trust funds during the year		-	39,505	36,265
Results of corporate operations for the year		-	(2,180,136)	(874,269)
Gain on disposal of tangible capital assets		-	11,277	-
		-	(2,129,354)	(838,004)
Surplus (deficit) before transfers		(48,456)	23,408,500	26,214,155
Transfers between programs and to/from deferred expenses		571,525	110,871	(248,482)
Surplus		523,069	23,519,371	25,965,673

Continued on next page

Little Red River Cree Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Surplus <i>(Continued from previous page)</i>	523,069	23,519,371	25,965,673
Accumulated surplus, beginning of year	74,102,008	74,102,008	48,136,335
Accumulated surplus, end of year	74,625,077	97,621,379	74,102,008

Little Red River Cree Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Surplus	523,069	23,519,371	25,965,673
Purchases of tangible capital assets	-	(32,788,122)	(27,181,320)
Amortization of tangible capital assets	-	3,822,914	3,666,140
Gain on disposal of tangible capital assets	-	(11,277)	-
Proceeds of disposal of tangible capital assets	-	11,277	-
Acquisition of prepaid expenses	-	(178,271)	-
Consumption of supplies inventories	-	-	90,776
Use of prepaid expenses	-	-	283,331
Increase (decrease) in net financial assets	523,069	(5,624,108)	2,824,600
Net financial assets, beginning of year	6,506,631	6,506,631	3,682,031
Net financial assets, end of year	7,029,700	882,523	6,506,631

Little Red River Cree Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
<hr/>		
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	126,762,760	95,612,907
Cash paid to suppliers	(32,308,686)	(27,279,005)
Cash paid for social assistance	(7,153,622)	(7,133,055)
Cash paid to employees	(26,928,485)	(23,112,948)
Interest paid	(264,920)	(192,938)
	60,107,047	37,894,961
<hr/>		
Financing activities		
Repayment of long-term debt	(113,419)	(108,092)
<hr/>		
Capital activities		
Purchases of tangible capital assets	(35,516,383)	(24,439,428)
Proceeds of disposal of tangible capital assets	11,277	-
	(35,505,106)	(24,439,428)
<hr/>		
Investing activities		
Advances and revenue received from First Nation business entities	-	500,000
Repayments of advances from from First Nation business entities	-	(550,000)
Payments made to First Nation business entities	(81,196)	(970,719)
	(81,196)	(1,020,719)
<hr/>		
Increase in cash resources	24,407,326	12,326,722
Cash resources, beginning of year	18,441,263	6,114,541
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Cash resources, end of year	42,848,589	18,441,263
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1. Significant accounting policies

The consolidated financial statements of the Little Red River Cree Nation (the "First Nation") are the representations of management, and are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada and are consistent with accounting policies set out by Indigenous Services Canada ("ISC"). Significant aspects of the accounting policies adopted by the First Nation are as follows:

Reporting entity

These consolidated financial statements include the Little Red River Cree Nation, Little Red River Board of Education, Little Red River Cree Nation Mamawi Awasis Society and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Little Red River Cree Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method as outlined in Note 4. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Basis of presentation

Sources of financing and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable under the terms of applicable funding agreements; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Measurement uncertainty (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 expenses during the reporting period. Actual results may vary from current estimates.

Accounts receivable are stated after evaluation as to their collectibility. Investment in First Nation business entities are stated after evaluation as to valuation and collectibility of advances. Amortization is based on the estimated useful lives of tangible capital assets. Inventory is based on the lower of cost and net realizable value. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in income in the periods in which they become known.

Net financial assets

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

Little Red River Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Liability for contaminated sites

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 First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First 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.

At year-end there was no liability for contaminated sites.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that can 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, inventory for First Nation use, and prepaid expenses.

i. Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital assets are amortized over their expected useful lives using the following rates and methods:

	Method	Rate
Buildings	straight-line	5 %
Buildings - Mamawi Awasis	declining balance	4 %
Equipment	straight-line	10 %
Equipment - Board of Education	declining balance	10 %
Water and sewer services	straight-line	5 %
Teacherages	declining balance	5 %
Automotive and other equipment	straight-line	10-20 %
Automotive - Education	declining balance	30 %
Furniture and fixtures	straight-line	30 %
Roads	straight-line	10 years
Street lights	straight-line	30 years
Wireless infrastructure	straight-line	5 %

ii. Inventory for First Nation use

Inventory held for consumption consists of gravel and maintenance supplies, and is recorded at the lower of cost and replacement cost.

iii. Prepaid expenses

Prepaid expenses include propane costs incurred during March which will be expensed in the following fiscal year, and pre-payments on goods and services which will be utilized in the following fiscal year.

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

Long-lived assets

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in income for the year; impairment of tangible capital assets is reflected in equity in tangible capital assets when impairment occurs. Prices for similar items are used to measure fair value of long-lived assets.

Revenue recognition

Government transfers

The First 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 First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenue

Other sources of revenue are recorded when received or receivable.

Segments

The First Nation conducts its business through nine reportable segments: administration, economic development, environment, First Nations Development Fund, health services, community services, community infrastructure, education and Mamawi Awasis Society. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed above. Inter-segment transfers are recorded at their exchange amount.

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 of adopting the new Sections.

Little Red River Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

3. Cash

Peace Hills Trust - cash management agreement allows for a revolving loan up to \$1,000,000 bearing interest at prime plus 2%. Monthly extensions in excess of \$1,000,000 are approved by Peace Hills Trust, bear interest at 24% per annum, and are secured by a redirection of funding from Indigenous Services Canada. At March 31, 2018, the balance of the revolving loan was \$nil (2017 - \$nil). Prime was 3.75% at year-end.

Included in cash is \$1,314,220 (2017 - \$231,092) of remaining proceeds of advances from the First Nations Development Fund, to be used for projects which have been applied for and approved. This is restricted by the Province of Alberta for this use.

Also included in cash is \$33,459,878 (2017 - \$13,678,136) in bank accounts specifically related to various capital projects which are underway at year-end.

Little Red River Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

4. Investments in and advances to First Nation business entities

The First Nation has investments in the following entities. The advances to (from) related entities are unsecured, have no fixed terms of repayment, and occurred in the normal course of business. They are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2018					
	<i>Initial investment</i>	<i>Historical valuation adjustment</i>	<i>Opening cumulative share of earnings (loss)</i>	<i>Current earnings (loss)</i>	<i>Advances to (from) related entities</i>	<i>Total investment</i>
Retail operations	101	-	(2,703,242)	(204,911)	(23,425)	(2,931,477)
Contracting operations	10,302	3,362,304	11,177,035	(1,975,225)	(4,470,290)	8,104,126
	10,403	3,362,304	8,473,793	(2,180,136)	(4,493,715)	5,172,649

	2017					
	<i>Initial investment</i>	<i>Historical valuation adjustment</i>	<i>Opening cumulative share of earnings (loss)</i>	<i>Current earnings (loss)</i>	<i>Advances to (from) related entities</i>	<i>Total investment</i>
Retail operations	101	-	(2,852,018)	148,776	(74,306)	(2,777,447)
Contracting operations	10,302	3,362,304	12,199,980	(1,022,945)	(4,090,450)	10,459,191
	10,403	3,362,304	9,347,962	(874,169)	(4,164,756)	7,681,744

Summary financial information for each First Nation major line of business, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>Retail operations As at January 31, 2018</i>	<i>Contracting operations As at December 31, 2017 and March 31, 2018</i>
Assets		
Current assets	390,989	5,596,748
Long-term assets	433,272	10,530,949
Advances to related entities	-	113,099
Total assets	824,261	16,240,796
Liabilities		
Current liabilities	645,223	1,016,948
Long-term debt	-	4,898,623
Reforestation obligations	-	509,562
Advances from related entities	3,087,090	-
Total liabilities	3,732,313	6,425,133
Accumulated surplus (deficit)	(2,908,052)	9,815,663
Total revenue	920,617	11,187,047
Total expenses	1,125,528	13,042,784
	(204,911)	(1,855,737)
Recovery of income taxes	-	7,935
Net loss	(204,911)	(1,847,802)

Little Red River Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

5. Funds held in trust

Funds held in trust on behalf of First Nation members by the Government of Canada are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets, and revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

	<i>Capital trust</i>	<i>Revenue trust</i>	<i>Total</i>
Balance, beginning of year	152,042	1,316,918	1,468,960
Additions	-	39,505	39,505
Balance, end of year	152,042	1,356,423	1,508,465

6. Short term deposits - restricted

Term deposits are internally restricted in use by the First Nation in accordance with the agreement regarding the trust with Indigenous Services Canada. The deposits bear interest at rates between 0.45% and 2.00% and mature between June 2018 and February 2019.

7. Deferred revenue

Deferred revenue consists of funds received for specific purposes which were not completed at the end of the fiscal year. The major categories are:

	<i>Opening</i>	<i>Funding received</i>	<i>Recognized as revenue</i>	<i>Closing</i>
ISC - School modernization	6,113,054	23,410,471	(19,596,998)	9,926,527
ISC - Fox Lake access project	229,150	3,964,351	(3,934,636)	258,865
ISC - Multi-plex housing project	-	2,500,000	(1,830,264)	669,736
ISC - John D'or Prairie water treatment plant	-	5,200,000	(30,655)	5,169,345
ISC - Garden River wastewater system	-	10,000,000	(573,557)	9,426,443
ISC - Fox Lake wastewater system	-	15,000,000	(3,711,125)	11,288,875
ISC - Fox Lake Elementary School repairs	-	215,000	-	215,000
ISC - Solid waste management facility	-	471,450	-	471,450
Province of Alberta - Building Collaboration and Capacity Education	615,929	437,595	(940,485)	113,039
First Nations Development Fund	940,828	1,139,948	(1,358,768)	722,008
Fox Lake Northern Store prepaid rent	1,489,156	-	(138,526)	1,350,630
Health Canada - Health centre funding	3,915,209	1,464,195	(5,379,404)	-
Health Canada - Nursing residence renovations	-	775,784	(305,486)	470,298
Health Canada - Headstart project	-	1,400,000	(205,333)	1,194,667
Government of Alberta - Climate leadership initiative program	-	386,553	(217,036)	169,517
University of Saskatchewan - Economic leakage study	-	25,000	(14,452)	10,548
Community Adult Learning Program	39,001	66,027	(67,854)	37,174
	13,342,327	66,456,374	(38,304,579)	41,494,122

Little Red River Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Long-term debt

	2018	2017
Peace Hills Trust loan, repayable in monthly instalments of \$10,921 including interest at 6%, until May 2019, amortized over 10 years. Security consists of a GIC with a value of \$208,401 (2017 - \$205,828), a Band Council Resolution, insurance showing first loss payee as Peace Hills Trust Company, and teacherages with a net book value of \$888,678 (2017 - \$947,483).	654,896	743,740
CMHC construction loan repayable in monthly instalments of \$2,635 including interest at 1.86%, until August 2022, amortized over 20 years. Security consists of a charge over two four-plexes with a net book value of \$507,505 (2017 - \$563,894).	401,655	426,231
Askee Development Corporation loan (a wholly owned subsidiary of the First Nation) relating to the Fox Lake Northern Store, with unspecified interest and repayment terms.	134,300	134,300
	1,190,851	1,304,271
Less: less: current portion	253,807	247,916
	937,044	1,056,355

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2019	253,807
2020	125,744
2021	132,346
2022	139,336
2023	146,738

9. Contingent liabilities

Lawsuits

In the normal conduct of operations, there are pending claims by and against the First Nation. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information of legal counsel, final determination of these other litigations will not materially affect the First Nation's consolidated financial position or results of operations.

Indigenous Services Canada

The First Nation has received the following advances from the Loans to Native Claimants program: 2000 - \$15,000, 2001 - \$80,850, 2008 - \$177,215, 2010 - \$226,096, and 2011 - \$74,475 for a total of \$573,636 (2017 - \$573,636). The loans are repayable on the earlier of March 31, 2020 or the date on which the claim is settled. If the claim is not settled by March 31, 2020, the repayment date will be extended by five years. As repayment will be made from future claim proceeds, the amount is a contingent liability.

Contingencies

These consolidated financial statements are subject to review by the First Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.

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10. Guarantees

At March 31, 2018, the First Nation is contingently liable for a line of credit available to Little Red River Wildland Firefighters Inc. in the amount of \$500,000.

As at March 31, 2018, no liability has been recorded associated with this guarantee.

11. Tangible capital assets

- (a) Roads include certain roads and bridges disclosed at a nominal amount.
- (b) The First Nation holds works of art from community members contributed to the First Nation and historical treasures of a cultural value, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.
- (c) The First Nation does not consider housing, other than employee housing, teacherages and CMHC housing, to be assets of the First Nation and therefore these items are included in operations.
- (d) Tangible capital asset additions for the year ended March 31, 2018 include \$469,218 still in accounts payable at year-end (2017 - \$3,197,479). As a result, this amount is not included in the purchases of tangible capital assets on the consolidated statement of cash flows.
- (e) Included in tangible capital asset additions for the year is \$16,714,391 (2017 - \$10,779,755) of Fox Lake road access work, \$5,206,025 (2017 - \$999,918) of Garden River and Fox Lake water treatment lagoon work, \$1,178,500 (2017 - \$nil) of communications towers, \$39,923,230 (2017 - \$20,478,857) of school modernization work, and \$198,365 (2017 - \$nil) of the John D'or Prairie Headstart facility that are in progress at March 31, 2018 and are therefore not being amortized.

12. Economic dependence

The First Nation receives substantially all of its funding through contribution arrangements with the Department of Indigenous Services Canada as administered under the conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon funding from this body.

13. Pension plan

The First Nation has established a defined contribution pension plan, in which all permanent full-time employees are required to participate. Pension contributions of either 3%, 5% or 8% are matched by the First Nation. No significant changes were made to the pension plan during the year. The pension expense for the year was \$928,809 (2017 - \$787,580).

14. CMHC reserves fund

Under conditions of agreements with the Canada Mortgage and Housing Corporation, the First Nation is required to maintain certain reserves related to on-reserve housing projects estimated at \$231,332 (2017 - \$223,342). As at March 31, 2018, the First Nation has funded \$249,316 (2017 - \$181,683) of the reserves.

Little Red River Cree Nation
Notes to the Consolidated Financial Statements
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15. Comparative figures

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

16. Budget information

The disclosed budget information has been approved by Chief and Council prior to April 1, 2017. Budgets for departments and projects not disclosed in the various schedules were not prepared by the First Nation's management, or else the funding to which they relate was approved after April 1, 2017.

17. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017 <i>(Restated)</i>
Unrestricted surplus (deficit)	(1,457,741)	470,548
Unexpended funding: Economic development	75,309	71,465
Unexpended funding: FNIYES	166,209	247,856
Unexpended funding: Post-secondary education	155,621	-
Unexpended funding: Housing	29,073	288,800
Unexpended funding: Schools O&M	569,773	602,251
Unexpended funding: Income assistance service delivery	765,103	-
Unexpended funding: Health - primary health care cluster	370,319	-
Unexpended funding: Capital - Fire protection	182	-
Unexpended funding: Capital - Bridge inspections	30,585	-
Unexpended funding: Capital - Fox Lake water truck	16,330	-
Unexpended funding: Capital - Unallocated - dust control 2017-18	102,071	-
Unexpended funding: Capital - Unallocated - equipment purchase	-	27,025
Unexpended funding: Capital - Capacity development	-	210,000
Unexpended funding: Capital - Land use community plan	515	79,617
Unexpended funding: Capital - Solid waste feasibility study	-	31,080
Unexpended funding: Capital - Unallocated - recreation feasibility study	16,974	20,006
Unexpended funding: Capital - Recreation feasibility study	17	155,175
Unexpended funding: Capital - Waste containers	-	938
Unexpended funding: Capital - Communication towers	18,500	1,260,000
Unexpended funding: Instruction and Education Board	-	418,732
Unexpended funding: Low cost special education	422	123,307
Unexpended funding: New Paths	23	-
Unexpended funding: High cost special education	-	328,811
Unexpended funding: ASETS	-	56,112
Internally restricted Child Special Allowance dollars	849,363	741,320
Internally restricted for Treaty ammunition	74,077	68,307
Equity in trust fund	1,508,465	1,468,960
Equity in enterprise fund	(690,593)	1,489,543
Equity in tangible capital assets	95,020,782	65,942,155
	97,621,379	74,102,008

Under the funding agreement with Indigenous Services Canada, surpluses in programs which receive fixed funding must be tracked; these are identified as "unexpended funding" above. The comparative figures above have been adjusted for adjustments determined during the current year as a result of reviews by funding bodies.