

## Fort McKay Métis Community Association

### 2020 Community Impact Grant Analysis

#### CIP Grant Summary:

2017	2018	2019	2020 Request	2020 Recommended by CIP	Variance Recommended vs. Requested
-	20,000	103,500	40,000	40,000	-

Fiscal Year End	Total Expenses	Unrestricted Net Assets
March 31, 2019	4,249,084	2,221,246

#### Notes:

**Truth and Reconciliation Commission Summit** - Summit to discuss the RMWB implementation of the TRC Report and obtain the perspective of the local indigenous communities, deliverable of a report at the end; Aims to include all rural indigenous communities of RMWB.

Budget Line Description	2020 Total Budget	2020 Budget Request	2020 Recommended
<b>Revenues</b>			
RMWB Community Impact Grant	40,000	40,000	40,000
Sponsorship from Fort McKay Métis Group	9,075	-	-
Fort McKay Métis Nation	9,075	-	-
<b>Total Revenues</b>	<b>58,150</b>	<b>40,000</b>	<b>40,000</b>
<b>Expenses</b>			
Consultant Fee	7,500	7,500	7,500
Event Planner	20,000	20,000	20,000
Note Taker	4,000	4,000	4,000
Report Administration	3,500	3,500	3,500
Report Printing	1,350	1,350	1,250
Photographer/Videographer	2,500	2,500	2,500
Agenda/Presentation Materials	2,500	1,250	1,250
Venue	1,500	-	-
Equipment Rental	575	-	-
Food and Beverages	8,000	-	-
Entertainment (Métis Bev, Band, Fiddle Player)	3,000	-	-
Opening Prayer and Food Blessings Fee	225	-	-
Tobacco	100	-	-
Gifts	2,500	-	-
Facilitator/Traditional Healer	1,000	-	-
<b>Total Expenses</b>	<b>58,250</b>	<b>40,100</b>	<b>40,000</b>
<b>Total Surplus (Deficit)</b>	<b>\$ (100)</b>	<b>\$ (100)</b>	<b>\$ -</b>



## 2020 Community Impact Grant - New Events Application for Grant Funding

The grant program under which your organization is applying has specific eligibility requirements. The Application Form should clearly show how the proposed event meets these requirements. The Application Form, including all required attachments, must be received by the closing date. **Late or incomplete applications will not be processed (Community Investment Program Policy FIN-220, Section 3.1.5).**

In order to complete this application for funding, please read the following thoroughly:

- 2020 Community Impact Grant Guidelines
- 2020 Community Impact Grant - New Events Application Checklist

If you have reviewed the 2020 Community Impact Grant Guidelines and have any questions regarding this application form or eligibility, please contact CIP@rmwb.ca.

**Organization Name:** Fort McKay Metis Community Association (Fort McKay Metis Nation)

**Declaration:** In making this application, we, the undersigned, confirm:

- that we have read the Community Impact Grant Guidelines;
- that we understand that this application form and all attachments shall be part of the **public** Council agenda and accessible through all methods that the Council agenda is available;
- that we understand that this application form and all required attachments must be completed in full and received before 4:30 p.m. MT on Monday, September 23, 2019;
- that we understand the term of the Community Impact Grant is January 1 to December 31, 2020 and that all expenditures must happen during this term; and
- that we are authorized by the applicant organization to complete the application and hereby represent to the Regional Municipality of Wood Buffalo's Community Investment Program and declare that to the best of our knowledge and belief, the information provided is truthful and accurate, and the application is made on behalf of the above-named organization and with the Board of Directors' full knowledge and consent.

Board Member(s) and/or  
Executive Director Initials:

RQ

EBLJ

RQ

EBLJ

RQ

EBLJ

RQ

EBLJ

RQ

EBLJ

Signature of Board Member  
(must have signing authority)

Ronald Quintal  
Print Name

2019-09-23  
Date: (YYYY-MM-DD)

Signature of Board Member or Executive Director  
(must have signing authority)

Eddison Lee Johnson  
Print Name

2019-09-23  
Date: (YYYY-MM-DD)

## New Events

### Part A - Organization Summary

#### 1. Organization Details

<b>Organization Name:</b>	Fort McKay Metis Community Association (Fort McKay Metis Nation)
<b>Street Address:</b>	PO Box 5000
<b>City/Hamlet:</b>	Fort McMurray
<b>Province:</b>	Alberta
<b>Postal Code:</b>	T9H 3G4
<b>Phone Number:</b>	780-828-4401
<b>Email Address:</b>	cshort@fortmckaymetis.com
<b>Act Registered Under:</b>	Societies Act (Alberta)
<b>Registration Number:</b>	5016579822

*Note: Organization must be in good standing to receive funding.*

#### 2. Main Contact

<b>Title:</b>	Community Development and Engagement Coordinator
<b>Name:</b>	Contessa Short
<b>Daytime Phone:</b>	17(1)
<b>Email Address:</b>	cshort@fortmckaymetis.com

#### 3. Executive Director

<b>Name:</b>	Eddison Lee Johnson
<b>Daytime Phone:</b>	17(1)
<b>Email Address:</b>	elj@mckaymetis.com

#### 4. Board Chair / President

<b>Name:</b>	Ronald Quintal
<b>Daytime Phone:</b>	17(1)
<b>Email Address:</b>	president@fortmckaymetis.com

*Note: Should any of the contact details in Questions 2 to 4 change before December 31, 2020, please advise the Community Investment Program at [CIP@rmwb.ca](mailto:CIP@rmwb.ca)*



## New Events

### Part B - Board Questionnaire

5. How often does the Board review the financial position of the agency? What efforts have been made in the past fiscal year to increase the number and types of financial support for your organization?

Council reviews the Fort McKay Metis Nation (Fort McKay Metis Community Association) financial position on a quarterly basis (at a minimum).  
The leadership and council of FMMN (FMMCA) have made many efforts in the past fiscal year to increase the number and types of financial support for FMMN (FMMCA). These efforts include (but are not limited to):  
Long Term Benefit Agreements with Industry;  
Expanding on staffing and staff capabilities;  
Direct asks made of governing bodies.

6. Organization's most recent Fiscal Year End date (YYYY-MM-DD): 2019-03-31

**Unrestricted** net assets from your Financial Statements ending 2019-03-31 2221246

(Accumulated surplus that the Board has not set aside for a particular purpose)

Total Expenses from your Financial Statements Ending 2019-03-31 4249084

7. Does your organization have financial reserves greater than the last fiscal year's operating expenses? If so, explain why.

FMMN (FMMCA) does not have financial reserves greater than the last fiscal year's operating expenses.

8. What are the restrictions (if any) on becoming a member of your organization **and/or** participating in programs or services?

FMMN (FMMCA) does have restrictions on becoming a member. The requirements are that you must be Metis, or a decedent of a grass roots member (these individuals are automatically considered a member once an application is complete) from Fort McKay. If an individual wishes to become a member and is not from Fort McKay, there is an application process, the application is then voted on by the current membership.  
To utilize any services offered by FMMN (FMMCA) (such as housing or social services) the individual must be a FMMN (FMMCA) member. Our events such as Metis Days hold no restrictions on participation.

9. Minimum number of board members according to bylaws: 5

Number of board members: Currently: 5 2018: 5 2017: 5

How often does the Board of Directors meet? Bi-Weekly

**10. Please list your current Board of Directors:**

Name	Board Position	Years on Board
Ronald Quintal	President	14
Glen Faichney	Vice President	7
Loretta Waquan	Councilor	11
Janice Richards	Councilor	2
Felix Faichney	Councilor	2

**11. Are any Board members being paid, or receiving an honorarium for being on the Board or for other positions in the organization outside of their role on the Board?** Yes ☒ No ☐

If yes, complete the following table:

Board member name	Paid role in the board / organization	Amount received
17(1)	17(1)	120000
17(1)	As listed above	100000

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 The personal information collected in this application is collected under the authority of section 33(c) of Alberta's Freedom of Information and Protection of Privacy (FOIP) Act. It will be used to process the application and contact you if needed, during the review of this application. If you have any questions about the collection and use of the personal information you may contact the Manager, Community Investment Program, at 9909 Franklin Avenue, Fort McMurray, AB T9H 2K4 or at (780) 743-7918.  
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## New Events

### Part C - Proposed Event Details

12. **Event Name:** Truth and Reconciliation Commission Summit

13. **Beginning Date (YYYY-MM-DD):** 2020-09-09

14. **Completion Date (YYYY-MM-DD):** 2020-09-10

*Note: The term of the Community Impact Grant is January 1 - December 31, 2020. The event and all expenditures must occur during this term.*

15. **What type of event are you applying for?**

- ☐ Recreation/Sport
- ☒ Cultural
- ☒ Related to, or addresses, any one of the 94 Calls to Action in the Truth and Reconciliation Commission report
- ☐ Related to a National or Provincial Holiday
- ☐ Other: \_\_\_\_\_

16. **What activities will be part of the event? Please list and provide details:**

- a. Use headings if applying for more than one event;
- b. List specific activities of each event; and
- c. Include details such as event location(s), how each activity will appeal to general population, if the event will draw participants from outside the Municipality, etc.

*(additional space continues on next page)*

For more than 120 years, tens of thousands of Aboriginal children were sent to Indian Residential Schools funded by the federal government and run by the churches. They were taken from their families and communities in order to be stripped of language, cultural identity and traditions. Canada's attempt to wipe out Aboriginal cultures failed. But it left an urgent need for reconciliation between Aboriginal and non-Aboriginal peoples.

The Fort McKay Metis Nation will be hosting a Truth and Reconciliation Commission Summit to discuss the Regional Municipality of Wood Buffalo implementation of the TRC Report and obtain the perspective of the local indigenous communities.

The event will take place over two days in Fort McMurray, gathering Presidents, Chiefs, and leaders of the RMWB rural indigenous communities, to discuss TRC and how RMWB should implement the TRC recommendations. Featuring key local indigenous dignitaries, National Metis leaders, as well as Mayor and Council.

This will provide opportunity to hear the perspective of Mayor and council on the TRC, have discussions on the implementation of the TRC, hear from Keynote speakers, allow the communities to present their perspectives of the TRC, hold traditional ceremonies, listening circles, cultural performances and much more.

The event will be documented and a summary report produced that will be executed by all indigenous community leaders and submitted to the Regional Municipality of Wood Buffalo.



16. *(Continued from previous page)*



**17. Describe how this event is new and/or innovative.**

In June 2015 the Truth and Reconciliation Commission released a summary report of its findings and "94 Calls to Action" to "redress the legacy of residential schools and advance the process of Canadian reconciliation".

An event as described above has not been hosted by an Indigenous Community in the RMWB since the release in June 2015.

This summit will generate a report that provides the perspectives of local indigenous communities and RMWB representatives. Providing insight into preliminary implementation planning for the 94 Calls to Action.



**18. How many participants are you expecting to benefit from your event? Please identify them in the table below.**

Ages 0 - 3:		Adults:	200
Ages 3 - 5:		Seniors:	
Ages 5 - 12:		Families:	
Ages 12 - 18:			

**19. What is the community need that the event will address?**

The TRC is a component of the Indian Residential Schools Settlement Agreement. Its mandate is to inform all Canadians about what happened in Indian Residential Schools (IRS).

The Indigenous communities would like to work with the RMWB and other stakeholders to develop meaningful actions to implement the 94 Calls to Action. The Indigenous community has identified the need for this event as a catalyst for dialogue and ultimately an implementation plan for the RMWB.

The 94 Calls to Action will be reviewed, discussed and presented from the perspectives of the RMWB and local indigenous communities; providing insight on a preliminary implementation plan, how things are currently working, how thing could be approached differently etc. General educational experience for all involved, bringing all of the RMWB communities together.

The event will also provide opportunities to share in the indigenous cultural experience through traditional ceremonies, listening circles and cultural performances.

**20. How was the need determined?**

By acknowledging the injustices experienced by Indigenous people the need for Truth and Reconciliation is apparent and addresses the need for healing. Through the 94 Calls to Action we see the commitment to establishing a mutual recognition and respect for the indigenous people. The need for this summit is the need for the Indigenous peoples of the RMWB to come together and discuss with the leaders of the Regional Municipality of Wood Buffalo their views on the 94 Calls to Action and implementation plans.

To date little has been done by the RMWB to implement any of the 94 Calls to Action, and this summit is seen as a catalysts to discuss reconciliation issues and ultimately develop a plan for the RMWB to take action on the 94 recommendations.

**21. How will the event address this need?**

This event will place all of the necessary people in the same room for a two (2) day summit to discuss their perspectives of the TRC 94 Calls to Action and implementation in the RMWB.

Through the use of keynote speakers, presentations, traditional ceremonies, listening circles, cultural performances will create the environment for meaningful dialogue and build the political will to develop an action plan for the 94 Calls to Action for the RMWB.

**22. What will be the positive impacts to the community?**

Development of this report can be used by the various arms of each indigenous community for significant impacts in their operations, cultural programming, traditional ceremonies, grant writing, government relations, and much more.

RMWB Indigenous People have the right to share their perspectives on the TRC report and the 94 Calls to Action with the RMWB government and vice versa this will ensure a strong relationship is built between the two and that a preliminary implementation plan is started.

This report will provide the opportunity to contribute to and participate in the decisions that affect the lives of local Indigenous people, that is integral to their unique cultures, identities, traditions, languages and institutions, and with respect for their special relationship to their land and their resource.



**23. Identify the Call to Action in the Truth and Reconciliation Commission report that the event addresses (if applicable).**

The event will discuss all 94 Calls to Action and provide a summary report of perspectives, with a preliminary implementation plan.

**24. If identified in question 23, describe and include:**

- a. How the Call to Action will be addressed by the activities of the event;*
- b. How the activities promote healing, language and/or cultural restoration; and*
- c. How the Indigenous community is involved in the planning, execution, participation or follow up to the event.*

This event will not address any one particular Call to Action, all of the Calls to Action will be discussed. The event will promote healing, relationship building, traditional languages, cultural restoration, education and understanding among the communities of the Regional Municipality of Wood Buffalo.

This event will be hosted by the Fort McKay Metis Nation and will involve the participation of all the rural indigenous communities of the RMWB.

**25. What will a successful event look like?**

Participants can learn and respond to the 94 Calls to Action

Discuss Calls to Action that the RMWB could implement

Develop a process for the RMWB and indigenous communities to create an implementation plan for the Calls to Action which the RMWB could undertake.

A summary report that is accepted by the participants outlining the discussions and key findings from the Summit

**26. How will you measure event success (e.g., surveys, evaluation, longitudinal studies)?**

Success will be measured by level of participation, participation feedback and a completed report signed by the Indigenous leaders of the RMWB and presented to Mayor and Council.



**27. Does the event duplicate or overlap with other events offered in the community? How is this event unique?**

This event is not based on something that is frequently highlighted. The only other event of this sort has been hosted by the RMWB in 2017. This will be the first event of its kind hosted by an Indigenous Community for the purposes of sharing perspectives, gathering information for a preliminary implementation plan of the 94 Calls to Action.

TRC Summits in other regions of the province and country have been held, but they are typically hosted by academic institutions or NGOs. The fact that an Indigenous community is the host of this event is unique.

**28. How will the event be promoted/advertised?**

*(Successful events shall state "Funding considerations provided by the Regional Municipality of Wood Buffalo" on all print and digital advertisements and shall not use the Municipal logo.*

This event will be advertised via Social Media, Email Invitation, possibly poster ads/flyers.

**29. The New Events stream is intended to promote an allied social profit sector within the Municipality. What other community groups or organization will be involved in the event?**

- a. List each community group or organization; and
- b. Define each community group or organization's role.

All groups listed will be brought together to discuss their perspective of the TRC Report and the 94 Calls to Action and create ideas for an implementation plan

Fort McKay First Nation  
 Fort Chipewyan Metis Local  
 Athabasca Chipewyan First Nation  
 Mikisew Cree First Nation  
 Fort McMurray Metis Local  
 Fort McMurray First Nation  
 Conklin Metis Local  
 Chipewyan Prairie Dene First Nation  
 Smith's Landing First Nation  
 Fort Smith Metis Council  
 Athabasca Tribal Council  
 Regional Municipality of Wood Buffalo  
 Wood Buffalo Housing Corporation  
 Northern Lights Health Foundation  
 Fort McMurray Public and Seperate School Boards  
 Northlands School District

**30. The New Events stream is intended to promote public/volunteer participation in the planning, delivering and governing of New Events. How will volunteers be involved in the proposed event?**

Volunteers will be part of the event in many ways:

Keynote speakers;  
 Event Coordinators;  
 Consultation on Agenda Items;  
 Consultation on Event Itinerary;

The event will be open to the public for educational purposes.



- 30. The New Events stream requires at least one other source of funding (e.g., monetary donations or grants, sponsorships, significant in-kind contributions, etc.) aside from the Community Impact Grant. Describe any other funding initiatives the organization has taken or is planning to implement to support this requirement.**

Fort McKay Metis Group Ltd. will be supporting this event with a monetary sponsorship as outlined below.

Fort McKay Metis Nation will be supporting this event with a monetary sponsorship as outlined below.

Additionally, both organizations as listed above will be provide Administrative supports leading up to and through out the event.

- 31. Describe how the event will become sustainable within three years.**

This will be a one time event. However, the report produced from the summit will provide benefits to the RMWB and surrounding communities for many years to come. The report will be beneficial in grant applications, community planning, cultural events, educational for the general public and much more.

### Event Budget

32. a) Please be advised that although your organization's fiscal year may not run January - December, that is the funding period of the Community Impact Grant. The following content must only relate to the period of January 1 - December 31, 2020.
- b) Please include all anticipated sources of revenue for your event and whether or not it is in progress (e.g., applied for but not yet confirmed) or secured (confirmed).
- c) Please list all sources of funding separately and name the sources in the space provided.
- d) Do not include this grant application as a source of revenue.

Source of Projected Income	Revenue Jan - Dec 2020	Revenue Status	
		In Progress	Secured
Event Income (Ticket sales, admission, etc.)	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Government of Alberta Grant	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Government of Canada Grant	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Casinos/Bingos	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Donation from:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Donation from:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Donation from:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Grant from:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Grant from:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Grant from:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Sponsorship from: Fort McKay Metis Group	9075	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sponsorship from:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Sponsorship from:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Other: Fort McKay Metis Nation	9075	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Other:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Other:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Other:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
Other:	0.00	<input type="checkbox"/>	<input type="checkbox"/>
<b>Total (A)</b>	<b>18150</b>		





**34. Provide any additional information that may assist in developing a better understanding of the organization or its services/programs during the grant review:**

Complete answer for question 29.

All groups listed will be brought together to discuss their perspective of the TRC Report and the 94 Calls to Action and create ideas for an implementation plan

Fort McKay First Nation  
Fort Chipewyan Metis Local  
Athabasca Chipewyan First Nation  
Mikisew Cree First Nation  
Fort McMurray Metis Local  
Fort McMurray First Nation  
Conklin Metis Local  
Chipewyan Prairie Dene First Nation  
Smith's Landing First Nation  
Fort Smith Metis Council  
Athabasca Tribal Council  
Regional Municipality of Wood Buffalo  
Wood Buffalo Housing Corporation  
Northern Lights Health Foundation  
Fort McMurray Public and Seperate School Boards  
Northlands School District  
RMWB Family and Community Support Services  
RMWB RCMP  
Local industry representatives

**35. Attachments**

The following **MUST** accompany this application.

**Failure to submit the following will result in this application being deemed incomplete.**

☒ Financial Statements of **most recent** fiscal year end (Year end date must fall between July 1, 2018 and June 30, 2019)

**Completed and Signed Applications are to be submitted:**

**Preference is By Email:** CIP@rmwb.ca

**OR**

**In Person or By Mail:**

Community Investment Program  
Community Services  
Regional Municipality of Wood Buffalo  
9909 Franklin Avenue  
Fort McMurray, AB T9H 2K4

**LATE or INCOMPLETE applications will not be processed  
(Community Investment Program Policy FIN-220, Section 3.1.5)**

**Fort McKay Metis Community Association**  
**Financial Statements**  
*March 31, 2019*

## Management's Responsibility

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To the Members of Fort McKay Metis Community Association:


Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. 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 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.

The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the Board to audit the 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 Board and management to discuss their audit findings.

August 29, 2019

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Executive Director



# Independent Auditor's Report

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To the Members of Fort McKay Metis Community Association:

## Opinion

We have audited the financial statements of Fort McKay Metis Community Association (the "Organization"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Edmonton, Alberta

August 29, 2019

*MNP LLP*

Chartered Professional Accountants

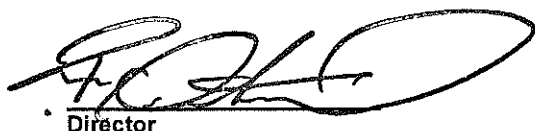
# Fort McKay Metis Community Association

## Statement of Financial Position

As at March 31, 2019

	General Fund	Capital Fund	2019	2018
<b>Assets</b>				
<b>Current</b>				
Cash and cash equivalents	671,012	-	671,012	268,591
Accounts receivable	1,099,795	-	1,099,795	786,382
Advances to (from) fund	749,019	(749,019)	-	-
Current portion of ATB loans to related parties (Note 3)	692,971	-	692,971	838,689
	<b>3,212,797</b>	<b>(749,019)</b>	<b>2,463,778</b>	1,893,662
<b>Capital assets (Note 4)</b>	-	7,836,384	<b>7,836,384</b>	7,521,529
<b>Investment in subsidiaries (Note 5)</b>	2,230,679	-	<b>2,230,679</b>	1,295,993
<b>ATB loans to related parties (Note 3)</b>	223,599	-	<b>223,599</b>	52,766
	<b>5,667,075</b>	<b>7,087,365</b>	<b>12,754,440</b>	10,763,950
<b>Liabilities</b>				
<b>Current</b>				
Bank indebtedness (Note 6)	551,325	-	551,325	854,946
Accounts payable and accrued liabilities	600,393	-	600,393	1,172,688
Payroll remittances payable	17,469	-	17,469	39,271
Deferred contributions (Note 7)	1,316,397	-	1,316,397	146,257
Advances from related parties (Note 8)	68,500	-	68,500	-
Current portion of term loans due on demand (Note 9)	143,146	330,688	473,834	302,895
Current portion of long-term debt (Note 10)	-	16,764	16,764	3,857
	<b>2,697,230</b>	<b>347,452</b>	<b>3,044,682</b>	2,519,914
Term loans due on demand (Note 9)	748,599	3,224,917	3,973,516	3,286,233
	<b>3,445,829</b>	<b>3,572,369</b>	<b>7,018,198</b>	5,806,147
<b>Long-term debt (Note 10)</b>	-	64,894	<b>64,894</b>	14,141
	<b>3,445,829</b>	<b>3,637,263</b>	<b>7,083,092</b>	5,820,288
<b>Contingent liability (Note 11)</b>				
<b>Net Assets</b>				
Fund balance	2,221,246	3,450,102	5,671,348	4,943,662
	<b>5,667,075</b>	<b>7,087,365</b>	<b>12,754,440</b>	10,763,950

Approved on behalf of the Board

  
Director

  
Director

The accompanying notes are an integral part of these financial statements

**Fort McKay Metis Community Association**  
**Statement of Operations**  
*For the year ended March 31, 2019*

	<i>General Fund</i>	<i>Capital Fund</i>	<i>2019</i>	<i>2018</i>
<b>Revenue</b>				
Trust revenue	890,527	-	890,527	935,595
Other revenues	2,517,779	-	2,517,779	2,940,181
Sponsorship	175,699	-	175,699	75,878
	<b>3,584,005</b>	<b>-</b>	<b>3,584,005</b>	<b>3,951,654</b>
<b>Expenses</b>				
Professional fees	1,235,779	-	1,235,779	1,386,722
Salaries and benefits	1,195,607	-	1,195,607	1,098,825
Board honorariums	521,375	-	521,375	17,705
Community events	258,970	-	258,970	439,635
Amortization	-	243,186	243,186	234,347
Interest on long-term debt	216,675	-	216,675	180,039
Travel	167,850	-	167,850	130,783
Repairs and maintenance	76,425	-	76,425	71,497
Interest and bank charges	52,331	-	52,331	11,675
Insurance	49,123	-	49,123	60,278
Telephone and utilities	39,088	-	39,088	39,098
Vehicle	37,648	-	37,648	36,200
Cultural Camp/ Trad Harvest Cost	32,612	-	32,612	-
Advertising and promotion	32,239	-	32,239	70,506
Community Expense	22,988	-	22,988	24,754
Island Lake	21,874	-	21,874	-
Office supplies	11,712	-	11,712	17,756
Property tax	10,066	-	10,066	4,854
Contracted services	6,675	-	6,675	36,650
Beautification	6,444	-	6,444	13,010
Training and education	5,695	-	5,695	5,818
Bad debts	2,422	-	2,422	56,097
Board travel, training and honouraria	2,300	-	2,300	6,975
Meeting	-	-	-	1,189
<b>Total expenses</b>	<b>4,005,898</b>	<b>243,186</b>	<b>4,249,084</b>	<b>3,944,413</b>
<b>Surplus (deficiency) of revenue over expenses before other items</b>	<b>(421,893)</b>	<b>(243,186)</b>	<b>(665,079)</b>	<b>7,241</b>
<b>Other items</b>				
Earnings from investment in Fort McKay Metis Group Ltd. (Note 5)	1,475,585	-	1,475,585	473,895
Trust allocations to members	(99,500)	-	(99,500)	-
Gain on disposal of capital assets	-	16,680	16,680	965
	<b>1,376,085</b>	<b>16,680</b>	<b>1,392,765</b>	<b>474,860</b>
<b>Surplus (deficiency) of revenue over expenses</b>	<b>954,192</b>	<b>(226,506)</b>	<b>727,686</b>	<b>482,101</b>

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



# Fort McKay Metis Community Association

## Statement of Changes in Net Assets

*For the year ended March 31, 2019*

	<i>General Fund</i>	<i>Capital Fund</i>	<i>2019</i>	<i>2018</i>
<b>Net assets beginning of year</b>	1,267,054	3,676,608	<b>4,943,662</b>	4,461,561
<b>Surplus (deficiency) of revenue over expenses</b>	954,192	(226,506)	<b>727,686</b>	482,101
<b>Net assets, end of year</b>	<b>2,221,246</b>	<b>3,450,102</b>	<b>5,671,348</b>	4,943,662

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

# Fort McKay Metis Community Association

## Statement of Cash Flows

*For the year ended March 31, 2019*

	2019	2018
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	727,686	482,101
Amortization	243,186	234,347
Bad debts	2,422	-
Gain on disposal of capital assets	(16,680)	(965)
Earnings from investment in Fort McKay Metis Group Ltd.	(1,475,585)	(473,895)
Trust allocations to members	99,500	-
	(419,471)	241,588
Changes in working capital accounts		
Accounts receivable	(315,835)	(414,310)
Accounts payable and accrued liabilities	(572,298)	1,082,649
Deferred contributions	1,170,140	(367,229)
Payroll remittances payable	(21,802)	28,027
	(159,266)	570,725
<b>Financing</b>		
Advances from related parties	68,500	-
Advances of term loan due on demand	1,225,588	3,589,093
Repayments of term loan due on demand	(367,367)	(949,346)
Advances of long-term debt	77,446	17,998
Repayments of long-term debt	(13,786)	(1,083,048)
	990,381	1,574,697
<b>Investing</b>		
Advances from Fort McKay Metis Group Ltd.	966,399	453,390
Purchase of capital assets	(797,519)	(2,801,448)
Proceeds on disposal of capital assets	256,162	17,000
Purchase of investment in Island Lake	(525,000)	-
Advances of ATB loans to related parties	(350,816)	(891,455)
Repayments of ATB loans to related parties	325,701	-
	(125,073)	(3,222,513)
<b>Increase (decrease) in cash resources</b>	<b>706,042</b>	<b>(1,077,091)</b>
<b>Cash resources, beginning of year</b>	<b>(586,355)</b>	<b>490,736</b>
<b>Cash resources, end of year</b>	<b>119,687</b>	<b>(586,355)</b>
<b>Cash resources are composed of:</b>		
Cash	671,012	268,591
Bank indebtedness	(551,325)	(854,946)
	119,687	(586,355)

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

# Fort McKay Metis Community Association

## Notes to the Financial Statements

For the year ended March 31, 2019

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### 1. Incorporation and nature of the organization

Fort McKay Metis Community Association (the "Association") was incorporated under the authority of the Province of Alberta and is registered as a not-for-profit organization and thus is exempt from income taxes under Part 1 of the *Income Tax Act*.

The Association's purpose is to support its members and the Metis people residing on lands in and around the Hamlet of Fort McKay.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies:

#### **Investments in subsidiaries**

The Association's investments in its controlled subsidiaries are accounted for using the equity method. Accordingly, the investments are recorded at acquisition cost and are increased for the proportionate share of post-acquisition earnings and decreased by post-acquisition losses and distributions received.

Any contingent consideration for the acquisition of a subsidiary is measured at fair value at the date of acquisition and included in the carrying amount of the investment.

Acquisition-related costs are recognized in the excess of revenue over expenses as incurred.

All transactions with the subsidiaries are disclosed as related party transactions.

#### **Revenue recognition**

The Association uses the restricted fund method of accounting for contributions. Restricted contributions related to capital assets are recognized as revenue of the Capital Fund in the year that it is received. All other restricted contributions are recognized as revenue of the General Fund when the expense is incurred because there is not an appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment income is recognized as revenue in the General Fund when earned.

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

#### **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Buildings	4 %
Automotive	30 %
Computer equipment	55 %
Equipment	20 %
Furniture and fixtures	20 %
Office equipment	20 %
Community housing	4 %

# Fort McKay Metis Community Association

## Notes to the Financial Statements

For the year ended March 31, 2019

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### 2. Significant accounting policies (Continued from previous page)

#### **Measurement uncertainty (use of estimates)**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after 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 capital assets.

By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess (deficiency) of revenue over expenses in the periods in which they become known.

#### **Financial instruments**

All financial instruments are initially recorded at their fair value, excluding certain financial assets and liabilities originated and issued in a related party transaction measured at their carrying or exchange amount in accordance with Section 3840 Related Party Transactions (refer to Note 8). At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses for the current period. Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The Association assesses impairment of all its financial assets measured at cost when there is an indication of impairment. Any impairment which is not considered temporary is included in current year excess of revenue over expenses.

#### **Long-lived assets**

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

When the Association determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

**Fort McKay Metis Community Association**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2019*

**3. ATB Loans to related parties**

The Association holds all the debt for the subsidiaries. The credit facilities are used by the entities to purchase assets and balances are adjusted to the Association for financial statement presentation purposes. Below is a breakdown of the debt taken out by subsidiaries and shareholders.

	2019	2018
<b>Fort McKay Metis Group Ltd.</b>		
ATB line of credit	534,825	724,827
ATB demand loan	70,305	-
ATB demand loan	24,491	-
ATB demand loan	14,470	23,257
ATB demand loan	14,470	23,257
ATB demand loan	7,874	17,056
ATB demand loan	-	46,867
ATB demand loan	-	22,944
ATB demand loan	-	15,872
ATB demand loan	-	17,375
Less: current portion	(587,503)	(838,689)
	<b>78,932</b>	<b>52,766</b>
<b>McKay Metis Transportation Ltd.</b>		
ATB line of credit	15,000	-
ATB demand loan	64,048	-
ATB demand loan	44,130	-
ATB demand loan	29,921	-
Less: current portion	(60,529)	-
	<b>92,570</b>	<b>-</b>
<b>McKay Metis Contracting Ltd.</b>		
ATB demand loan	78,750	-
ATB demand loan	18,286	-
Less: current portion	(44,939)	-
	<b>52,097</b>	<b>-</b>
	<b>223,599</b>	<b>52,766</b>
<b>Current portion</b>		
Fort McKay Metis Group Ltd.	587,503	838,689
McKay Metis Transportation Ltd.	60,529	-
McKay Metis Contracting Ltd.	44,939	-
	<b>692,971</b>	<b>838,689</b>



# Fort McKay Metis Community Association

## Notes to the Financial Statements

*For the year ended March 31, 2019*

### 4. Capital assets

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2019 Net book value</b>	<b>2018 Net book value</b>
Land	2,638,968	-	2,638,968	2,638,968
Buildings	2,773,356	312,882	2,460,474	2,706,468
Automotive	267,058	71,008	196,050	91,954
Computer equipment	37,689	33,053	4,636	8,355
Equipment	210,069	119,575	90,494	113,116
Furniture and fixtures	95,818	54,059	41,759	47,205
Office equipment	56,705	27,727	28,978	30,734
Community housing	2,678,823	303,798	2,375,025	1,884,729
	<b>8,758,486</b>	<b>922,102</b>	<b>7,836,384</b>	<b>7,521,529</b>

Buildings includes separate buildings with a carrying value of \$764,248 (2018 - \$679,487). No amortization of these assets has been recorded during the current year because they are currently under construction.

### 5. Investment in subsidiaries

#### ***Subsidiaries accounted for using the equity method***

The Association holds investments in the following subsidiaries, which are accounted for using the equity method:

	<b>% Ownership</b>	<b>2019</b>	<b>2018</b>
Fort McKay Metis Group Ltd.	66.67 %	1,705,679	1,295,993
Island lake - 2120434 Alberta Ltd	100.00 %	525,000	-
		<b>2,230,679</b>	<b>1,295,993</b>

Fort McKay Metis Group Ltd. is incorporated under the authority of the Province of Alberta. Fort McKay Metis Group Ltd. provides transportation, heavy equipment and other services to companies in the Regional Municipality of Wood Buffalo. The Association owns 66.67% (2018 - 66.67%) of the share capital of Fort McKay Metis Group Ltd. and appoints the majority of the subsidiary's board of directors.

On March 31, 2017, Fort McKay Metis Group Ltd. underwent a reorganization. The Fort McKay Metis Community Association exchanged 50 Class A common shares for 6,650 Class III non-voting preferred shares with a redemption value of \$3,660,085 and then subscribed to 50 Class B voting common shares for \$50. The Fort McKay Metis Trust, of which Fort McKay Metis Community Association is a beneficiary, then subscribed to 25 Class C non-voting common shares for \$25.

**Fort McKay Metis Community Association**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2019*

**5. Investment in subsidiaires** *(Continued from previous page)*

Summary financial information of Fort McKay Metis Group Ltd. as at March 31, 2019 and March 31, 2018 for the years then ended are as follows:

	2019	2018
<b>Financial Position</b>		
Total assets	4,771,148	4,185,759
Total liabilities	2,398,694	2,533,534
Total shareholder's equity	2,372,454	1,652,225
<b>Results of Operations</b>		
Total revenue	5,401,358	5,444,078
Total expenses	3,947,238	4,970,183
Net income	1,454,120	473,895
<b>Cash Flows Provided by (Used in):</b>		
Operating activities	1,210,343	1,438,425
Financing activities	(1,362,580)	370,486
Investing activities	17,165	(1,094,782)
Increase (decrease) in cash	(135,072)	714,129

2120434 Alberta Ltd. was incorporated under the laws of the Alberta on . 2120434 Alberta Ltd. holds the property of Island Lake. The Association purchased 100% of the shares on October 12, 2018 and controls 2120434 Alberta Ltd.

Summary financial information of 2120434 Alberta Ltd. as at March 31, 2019 is as follows:

	2019	2018
<b>Financial Position</b>		
Total assets	525,000	-
Total equity	525,000	-

**6. Bank indebtedness**

The Association has available an operating facility with a maximum limit of \$1,650,000 (2018 - \$1,500,000). Advances under this facility include bank indebtedness of which \$551,325 (2018 - \$854,946) was advanced which bears interest at prime plus 2.25% (2018 – prime plus 2.25%) and advances on corporate Mastercards of which \$57,479 (2018 - \$435) were advanced which are included in accounts payable and accrued liabilities . This facility is secured by a general security agreement outlined in Note 9.

# Fort McKay Metis Community Association

## Notes to the Financial Statements

*For the year ended March 31, 2019*

### 7. Deferred contributions

	2019	2018
<b>General program</b>		
Imperial Oil	726,290	-
Syncrude	211,157	93,657
TransCanada	186,269	-
RMWB	86,750	-
Other	56,570	-
Government of Alberta	47,211	-
Enbridge	-	30,000
Shell Canada	-	15,650
Rental deposits	2,150	6,950
	<b>1,316,397</b>	<b>146,257</b>

### 8. Related party transactions

The Association had the following transactions which were in the normal course of operations, and were measured at the exchange amount, which is the amount of consideration agreed to and established between the related parties.

Included in accounts receivable for the current year is \$186,210 (2018 - \$41,395) owed from the Association's subsidiary. Included in accounts payable for the current year is \$62 (2018 - \$162,267) owing to the Association's subsidiaries.

Included in capital assets additions is \$nil (2018 - \$232,574) that were constructed by the Association's subsidiary.

Included in revenue for the current year is \$171,282 (2018 - \$39,963) from the Association's subsidiary. Included in expenses is \$15,924 (2018 - \$65,234) in amounts paid to the Association's subsidiaries. During the year, the subsidiary also made \$36,315 (2018 - \$279,637) payments on the Association's behalf which were subsequently reimbursed. The Association also received dividends of \$625,000 (2018 - nil) from its subsidiary.

There was an advance from McKay Metis Contracting Ltd. of \$68,500 (2018 - \$nil)

# Fort McKay Metis Community Association

## Notes to the Financial Statements

*For the year ended March 31, 2019*

### 9. Term loans due on demand

	2019	2018
ATB Financial demand loan payable in monthly payments of \$11,670, bearing interest at prime plus 2.25%, maturing March 2033, secured by assets with a net book value of \$2,638,968	1,349,804	1,406,125
ATB Financial demand loan payable in monthly payments of \$9,950, bearing interest at prime plus 2.25%, maturing March 2033, secured by assets with a net book value of \$1,243,322	969,277	1,027,955
ATB Financial Evergreen demand loan payable in monthly payments of \$7,780, bearing interest at prime plus 2.25%, maturing March 2033, secured by assets with a net book value of \$1,818,540	889,922	928,054
ATB Financial Evergreen demand loan payable in monthly payments of \$3,450, bearing interest at prime plus 2.25%, maturing August 2028, secured by assets with a net book value of \$556,483	287,338	-
ATB Financial Evergreen demand loan payable in monthly payments of \$1,920, bearing interest at prime plus 2.25%, maturing November 2021, secured by assets with a net book value of \$73,950	59,264	-
ATB Financial Evergreen demand loan repaid during the year	-	31,099
ATB Financial Evergreen demand loan repaid during the year	-	29,265
ATB Financial Evergreen demand loan payable in monthly payments of \$10,414, bearing interest at prime plus 2.25%, maturing September 2021, secured by shares with a net book value of \$525,000	525,000	-
ATB Financial Evergreen demand loans transferred to subsidiary, payable in monthly payments of \$5,087, bearing interest at prime plus 2.25%, maturing between March 2020 and January 2023, secured by equipment with a net book value of \$145,843	131,610	166,630
ATB Financial Evergreen demand loans transferred to a related party, payable in monthly payments of \$4,401 bearing interest at prime plus 2.25%, maturing between October 2021 and August 2023 secured by equipment with a net book value of \$140,346	138,099	-
ATB Financial Evergreen demand loans transferred to a related party, payable in monthly payments of \$4,141 bearing interest at prime plus 2.25%, maturing between February 2021 and October 2021, secured by equipment with a net book value of \$97,300	97,036	-
Less: Current portion of loans due on demand	(473,834)	(302,895)
	<b>3,973,516</b>	<b>3,286,233</b>

Principal repayments on term loans due on demand in each of the next five years, assuming all term debt is subject to contractual terms of repayment and term loans due on demand are re-financed at similar rates and terms, are estimated as follows:

2020	473,834
2021	454,702
2022	394,380
2023	379,586
2024 and thereafter	2,744,848
	<b>4,447,350</b>

# Fort McKay Metis Community Association

## Notes to the Financial Statements

*For the year ended March 31, 2019*

**9. Term loans due on demand** *(Continued from previous page)*

Term loans due on demand are secured by a general security agreement, securing interest over all present and after acquired personal property; first charge on the Lands located at Fort McKay; general security agreement over all present and after acquired personal property guaranteed by Fort McKay Group Ltd., McKay Energy Services Ltd., McKay Metis Property Corporation, McKay Metis Contracting Ltd., McKay Metis Transportation Ltd. and 2120434 Alberta Ltd. Term loans due on demand are subject to certain financial covenants with respect to required debt to equity and fixed charge coverage ratios. As at March 31, 2019, the Association was in compliance with the covenant.

**10. Long-term debt**

	2019	2018
Scotiabank loan payable in monthly payments of \$496, non-interest bearing, maturing June 2024, secured by equipment with a net book value of \$83,747	67,517	-
Ford Credit loan payable in monthly payments of \$321, non-interest bearing, maturing November 2022, secured by equipment with a net book value of \$30,841	14,141	17,998
	<b>81,658</b>	17,998
Less: Current portion	16,764	3,857
	<b>64,894</b>	14,141

Principal repayments on long-term debt in each of the next five years are estimated as follows:

	<b><i>Principal</i></b>
2020	16,764
2021	16,764
2022	17,261
2023	15,479
2024 and thereafter	15,390
	<b>81,658</b>

**11. Contingent liability**

Unspecified claims have been filed against the Association. These claims remain at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of these claims or to estimate the loss, if any, which may result.

On April 1, 2012, the Fort McKay Metis Local #63 transferred the shares of Fort McKay Metis Group Ltd. to the Association. Since the transfer did not take place at fair market value, the Association could be liable for any unpaid income taxes that Local 63 may have owed, if any.



# Fort McKay Metis Community Association

## Notes to the Financial Statements

For the year ended March 31, 2019

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### 12. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### ***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Association is exposed to interest rate cash flow risk with respect to its bank indebtedness, term loans due on demand which bears interest at rates that fluctuate with prime lending rates as described in Note 6 and 9. The Company is exposed to interest rate price risk on its long-term debt which bear interest at fixed rates as described in Note 10.

#### ***Credit concentration***

As at March 31, 2019, two customers (2018 - two) accounted for 42% (2018 - 65%) of the accounts receivable. The Association believes that there is no unusual exposure associated with the collection of these receivables. The Association performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable. As at March 31, 2019, the Association has recorded an allowance for doubtful accounts of \$nil (2018 - \$nil).

#### ***Liquidity risk***

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association enters into transactions to purchase goods and services on credit; borrow funds from financial institutions or other creditors, for which repayment is required at various maturity dates. The Association manages the liquidity risk resulting from bank indebtedness, accounts payable and accrued liabilities, term loans due on demand, and long term debt by diversifying its sources of funding.

### 13. Economic dependence

The Association's primary source of revenue is derived from a shared trust with the Fort McKay First Nation. The Association's ability to continue viable operations is dependent upon future payments from this source.

### 14. Comparative figures

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

### 15. Subsequent event

Subsequent to year end, the Association sold land to the Regional Municipality of Wood Buffalo. The planned sale will be effective June 21, 2019, for expected proceeds of \$155,000 for the asset plus \$67,047 for reimbursement of site prep work done to date for the firehall.

# Fort McKay Metis Community Association

## Schedule 1 - Schedule of General Revenue and Expenses

*For the year ended March 31, 2019*

	2019	2018
<b>Revenue</b>		
Other revenues	973,137	1,023,319
Sponsorship	175,699	-
	<b>1,148,836</b>	<b>1,023,319</b>
<b>Expenses</b>		
Board honorariums	521,375	17,705
Salaries and benefits	165,125	230,443
Community events	87,996	268,389
Travel	79,112	93,137
Interest and bank charges	49,404	9,945
Cultural Camp/ Trad Harvest Cost	32,612	-
Island Lake	21,874	-
Community Expense	22,988	24,754
Advertising and promotion	19,260	47,160
Vehicle	18,061	23,813
Professional fees	11,689	20,700
Office supplies	10,205	13,545
Bad debts	2,422	56,097
Board travel, training and honouraria	2,300	6,975
Insurance	1,781	6,575
Interest on long-term debt	9,761	792
Training and education	-	562
Telephone and utilities	-	407
	<b>1,055,965</b>	<b>820,999</b>
<b>Surplus of revenue over expenses before other items</b>	<b>92,871</b>	<b>202,320</b>
<b>Other items</b>		
Earnings from investment in Fort McKay Metis Group Ltd.	1,475,585	473,895
Trust allocations to members	(99,500)	-
<b>Excess of revenue over expenses</b>	<b>1,468,956</b>	<b>676,215</b>

**Fort McKay Metis Community Association**  
**Schedule 2 - Schedule of Trust Eligible Revenue and Expenses**

*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Trust revenue	<b>685,527</b>	715,595
Sponsorship	-	75,878
	<b>685,527</b>	791,473
<b>Expenses</b>		
Professional fees	<b>482,026</b>	930,473
Salaries and benefits	<b>168,913</b>	278,665
Community events	<b>154,369</b>	138,900
Interest on long-term debt	<b>205,038</b>	177,164
Beautification	<b>6,444</b>	13,010
Repairs and maintenance	<b>76,425</b>	71,497
Insurance	<b>45,463</b>	52,723
Telephone and utilities	<b>23,501</b>	37,766
Advertising and promotion	<b>12,584</b>	22,637
Property tax	<b>10,066</b>	4,854
Training and education	<b>5,695</b>	5,256
Travel	<b>5,356</b>	5,041
Contracted services	<b>5,025</b>	2,800
Office supplies	<b>1,507</b>	3,836
Meeting	-	1,189
	<b>1,202,412</b>	1,745,811
<b>Deficiency of revenue over expenses</b>	<b>(516,885)</b>	(954,338)

**Fort McKay Metis Community Association**  
**Schedule 3 - Schedule of Sustainability Revenues and Expenses**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Other revenues	<b>1,544,642</b>	943,939
Trust revenue	<b>205,000</b>	220,000
	<b>1,749,642</b>	1,163,939
<b>Expenses</b>		
Salaries and benefits	<b>861,569</b>	589,717
Professional fees	<b>742,063</b>	435,549
Travel	<b>83,381</b>	32,605
Vehicle	<b>19,587</b>	12,387
Community events	<b>16,605</b>	32,346
Telephone and utilities	<b>15,587</b>	925
Interest and bank charges	<b>2,927</b>	1,730
Insurance	<b>1,880</b>	980
Interest on long-term debt	<b>1,876</b>	2,083
Contracted services	<b>1,650</b>	33,850
Advertising and promotion	<b>395</b>	709
Office supplies	<b>-</b>	375
	<b>1,747,520</b>	1,143,256
<b>Excess of revenue over expenses</b>	<b>2,122</b>	20,683