



LITTLE RED RIVER CREE NATION FINANCIAL ADMINISTRATION LAW

DATED THIS _____ DAY OF _____, 2018

THIS IS A LAW ENACTED BY THE LITTLE RED RIVER CREE NATION TO GOVERN THE MANAGEMENT AND EXPENDITURE OF INCOME RECEIVED FROM THE LITTLE RED RIVER CREE NATION SOVEREIGN WEALTH FUND AND OTHER SOURCES

WHEREAS the Little Red River Cree Nation (“LRRCN”) established the Little Red River Cree Nation Sovereign Wealth Fund (the “Sovereign Wealth Fund”) to provide for the management, protection and investment of monies settled in the Sovereign Wealth Fund and which provide for the distribution of income from the Sovereign Wealth Fund for the long-term use and benefit of the LRRCN and its Members;

AND WHEREAS the Council has the authority pursuant to its inherent right of self-government and also has the power under section 83(1) of the *Indian Act*, R.S.C. 1985, c. I-5 or section 9 of the *First Nations Fiscal Management Act*, S.C. 2005, as amended or replaced from time to time, to enact this law to govern the management and expenditure of income paid and payable to LRRCN from the Sovereign Wealth Fund and other sources for the long-term benefit of LRRCN and its current and future Members.

ARTICLE 1 – SHORT TITLE

1.1 This law shall be referred to as the *Little Red River Cree Nation Financial Administration Law* (the “*Financial Law*”).



ARTICLE 2 – DEFINITIONS AND INTERPRETATION

1.1 In this *Financial Law*, unless the context otherwise requires, the following words, expressions and terms shall have the following meanings:

- (a) **“Annual Income”** means the “Annual Payment” as defined in the Sovereign Wealth Fund and any other income or funds deposited in the Revenue Account from other sources;
- (b) **“Authorized Loan”** means a loan from a Financial Institution as lender to LRRCN, as borrower, that is approved in accordance with the provisions of the Sovereign Wealth Fund and the loan proceeds are deposited to the Revenue Account;
- (c) **“Authorized Loan Payments”** means those payments of principal and interest made by the Trustee in respect of an Authorized Loan;
- (d) **“Annual Plan and Budget”** means a plan and budget that must be approved by Council summarizing Permitted Uses of Annual Income and any Authorized Loans for that Fiscal Year;
- (e) **“Chief Financial Officer”** means the Chief Financial Officer for the LRRCN or such other officer appointed by Council from time to time with responsibility for accounting and management of LRRCN’s financial affairs;
- (f) **“Council”** means the duly elected council of the Little Red River Cree Nation, which is a “council of the band” within the meaning of the *Indian Act*;
- (g) **“Council Resolution”** means a written resolution passed at a duly convened meeting of the Council and signed by at least a Quorum of the Council;
- (h) **“Elector”** means a Member of LRRCN who is eighteen (18) years of age or older or a person who otherwise meets the definition of Elector pursuant to any applicable code or law enacted by LRRCN from time to time;
- (i) **“Financial Institution”** means a bank, trust company or credit union, which for greater certainty may include the First Nations Finance Authority, the Trustee, and an affiliate or related party of the Trustee;
- (j) **“Fiscal Year”** means the fiscal year of LRRCN which shall be the twelve (12) month period from April 1 to March 31;
- (k) **“Member”** means a person whose name appears on the Membership List;
- (l) **“Membership List”** means those persons set out on a membership list of LRRCN maintained by the Department of Indian Affairs or by LRRCN if it has assumed control of its membership list pursuant to section 10 of the *Indian Act*;
- (m) **“Permitted Uses”** means the list of permitted uses and expenditures of Annual Income and Authorized Loans set out in Article 4.1;



- (n) **“Little Red River”** means the Little Red River Cree Nation, which is a “band” within the meaning of the *Indian Act*;
 - (o) **“Little Red River Referendum Regulations”** means the guidelines adopted by Council, from time to time, that detail the procedures to be followed with respect to any vote regarding a proposed amendment or repeal of the *Financial Law*;
 - (p) **“Revenue Account”** means the Revenue Account established by the Council in a Financial Institution situated on an Indian reserve into which the Annual Payments, Authorized Loans, and other monies as may be directed by Council shall be deposited;
 - (q) **“Sovereign Wealth Fund”** means the *Little Red River Cree Nation Sovereign Wealth Fund* dated for reference the 25th day of August, 2018;
 - (r) **“Trust”** means the *Little Red River Cree Nation Sovereign Wealth Fund* dated for reference the 25th day of August, 2018;
 - (s) **“Trustee”** means the Trustee for the *Little Red River Cree Nation Sovereign Wealth Fund*;
- 2.2 Unless otherwise stated, the definitions in the *Financial Law* shall have the same meaning as words defined in the Sovereign Wealth Fund unless the context is inconsistent therewith. In the event of any inconsistency or conflict, the terms of the Sovereign Wealth Fund shall prevail.
- 2.3 Any other bylaw or resolution enacted by Council that is inconsistent with the *Financial Law* shall be of no force or effect to the extent of any such inconsistency.
- 2.4 Where there is a reference to a number of days in the *Financial Law* it is deemed to be a reference to calendar days and in calculating the number of days, the day on which the first event happens is excluded and the day on which the last event happens is included.
- 2.5 For greater certainty, nothing in the *Financial Law* shall be construed so as to abrogate or derogate from the Aboriginal and Treaty rights of the Little Red River Cree Nation or its Members as recognized and affirmed in Section 35 of the *Constitution Act, 1982*.

ARTICLE 3 – DEPOSIT OF FUNDS IN THE REVENUE ACCOUNT

- 3.1 The Council shall establish and maintain a Revenue Account for as long as the Sovereign Wealth Fund remains in existence to receive the deposit of Annual Payments. The Revenue Account shall be governed by the Council in accordance with the *Financial Law* as may be amended from time to time.
- 3.2 In addition to Annual Payments and any Authorized Loans deposited to the Revenue Account, LRRCN may deposit funds from other sources into the Revenue Account. Once such funds are deposited to the Revenue Account, the terms of the *Financial Law* shall apply to such funds.

ARTICLE 4 – PERMITTED USES AND APPROVED EXPENDITURES FROM REVENUE ACCOUNT

- 4.1 Any funds deposited to the Revenue Account, including Authorized Loans, shall be distributed or expended for the use and benefit of LRRCN and its Members and may only be expended in accordance with the *Financial Law* for the following Permitted Uses:



- (a) to purchase land which may be eligible to be added as reserve for LRRCN;
- (b) to finance the construction and maintenance of housing, infrastructure, and capital projects, including major physical assets owned or controlled by LRRCN such as buildings, roads, bridges, utilities, water treatment, supply and septic systems, ditches and spillways, and waste control facilities;
- (c) to promote economic development and investment in businesses, partnerships, joint ventures, and other profitable enterprises to generate additional income for the use and benefit of LRRCN and its Members;
- (d) to promote youth, education and training of Members, including the provision of scholarships, student loans, bursaries or prizes for academic achievement to complement, but not replace, existing programs and funding provided by the Government of Canada, Province of Alberta or other funding agencies for education, recreation, cultural, and leadership programs;
- (e) to provide community services relating to matters such as social, public health, heritage and culture, recreation, education, daycares, libraries, police or fire protection;
- (f) review of regulatory applications for resource development, supporting environmental assessments and monitoring, reclamation plans, traditional use and ecological knowledge studies, and engagement with industry proponents on impacts and benefits agreements;
- (g) to retain professional advisors and appoint LRRCN members to advisory committees in relation to any Permitted Uses of funds in the Revenue Account; and
- (h) to provide such other programs and services and fulfill any other purposes deemed by Council to be in the best interests of the LRRCN and its Members.

4.2 For greater certainty, funds deposited to the Revenue Account shall not be used for any of the following purposes:

- (a) to fund any project or activity which requires that the First Nation guarantee, in whole or in part, the payment of any monies upon default by a company that is not at least 50% owned by LRRCN, a Member or other individual;
- (b) any payment of monies intended to satisfy the debts or liabilities of a company that is not at least 50% owned by LRRCN, a Member or other individual;
- (c) to provide per capita distributions in an amount exceeding \$1,000 per Member per year;
- (d) to support programs, services and financial assistance that are typically provided by Canada, Alberta or other government authorities, in accordance with the criteria established from time to time for the application of such programs, services and financial assistance.

4.3 Any funds remaining in the Revenue Account at the end of a Fiscal Year can, at the Council's discretion, either remain in the Revenue Account to be used in the next Fiscal Year or may be



contributed by LRRCN to the Sovereign Wealth Fund.

ARTICLE 5 – AUTHORIZED LOANS

- 5.1 The Council may, subject to and in accordance with the Sovereign Wealth Fund, enter into an Authorized Loan for LRRCN's use and benefit providing that all Authorized Loans shall be deposited into the Revenue Account or such other account as directed by Council Resolution and the funds may be used only for Permitted Uses in accordance with Article 4 of the *Financial Law*.
- 5.2 Subject to and in accordance with the Sovereign Wealth Fund, the Council is authorized to use the Annual Income as collateral for an Authorized Loan and to assign or direct the Trustee to use all or any portion of the Annual Income to make Authorized Loan Payments as they become due and payable.
- 5.3 Subject to and in accordance with the Sovereign Wealth Fund, the Council may enter into an Authorized Loan in accordance with the following terms and procedures shall apply to any Authorized Loan:
- (a) the Council shall provide the Trustee with a Council Resolution and attached loan documentation:
 - (i) setting out the amount and repayment term for the Authorized Loan, such repayment term being sufficient to retire the Authorized Loan over a period not exceeding twenty five (25) years; and
 - (ii) authorizing and directing the Trustee to use the Trust Property as collateral, including granting a mortgage, pledge, security interest or charge against all or any portion of the Trust Property to secure the Authorized Loan and to make the Authorized Loan Payments as they become due and payable;
 - (b) the amount of all Authorized Loan Payments, in aggregate in any Fiscal Year, shall not, at the time of entering into any Authorized Loan, exceed eighty percent (80%) of the projected Annual Payment for the Fiscal Year to be calculated based on the value of the Trust Property at that time but, for greater certainty, once the Trustee has commenced making any Authorized Loan Payments, the Trustee shall continue to make such payments, notwithstanding that the amount of all Authorized Loan Payments may, in aggregate, exceed eighty percent (80%) of the amount of the Annual Payment after any Authorized Loan Payments are made; and
 - (c) the total amount of all outstanding Authorized Loans shall not exceed, in aggregate, an amount equal to fifty percent (50%) of the market value of the Trust Property as of the date of the Authorized Loan, but, for greater certainty, once an Authorized Loan is approved, the Authorized Loan shall remain in effect, notwithstanding that the amount of all existing Authorized Loans may, in aggregate, exceed fifty percent (50%) of the market value of the Trust Property after the Authorized Loan was approved;
 - (d) for greater certainty, once an Authorized Loan is approved, the Authorized Loan may remain in effect, notwithstanding that the amount of all existing Authorized Loans may, in aggregate, exceed the maximum amounts set out in Article 5.3(b) or (c) in any Fiscal



Year after the Authorized Loan was approved.

ARTICLE 6 – ANNUAL PLAN AND BUDGET

- 6.1 The Annual Income, proceeds of any Authorized Loans, and any other funds deposited in the Revenue Account may not be expended except in accordance with the provisions of the *Financial Law*.
- 6.2 Prior to the end of each Fiscal Year, the Council shall prepare an Annual Plan and Budget for the next Fiscal Year setting out the Permitted Uses of the Annual Income and Authorized Loans on a multi-year basis or for that Fiscal Year. Subject to approval by Council, the Annual Plan and Budget shall provide a summary of Permitted Uses approved by Council, including any Authorized Loan Payments, and benefits to be achieved from such expenditures. The Annual Plan and Budget shall provide sufficient information for the Members to identify the Permitted Uses and benefits to LRRCN and its Members.
- 6.3 The Annual Plan and Budget for any Fiscal Year must be approved by Council Resolution prior to expending the Annual Income and any new Authorized Loans for that Fiscal Year. For greater certainty, any Authorized Loan Payments shall continue to be made by the Trustee regardless of whether the Annual Plan and Budget for any Fiscal Year is approved by the Council.
- 6.4 The Council may, at any time, amend the Annual Plan and Budget during a Fiscal Year, however, all Authorized Loan Payments shall continue to be made by the Trustee notwithstanding any amendment to the Annual Plan and Budget by the Council.
- 6.5 Upon approving the Annual Plan and Budget or approving an amendment to the Annual Plan and Budget, the Chief Financial Officer shall post a copy of the Annual Plan and Budget or any amendments in an area of the administrative offices of LRRCN to which the Members have access and any Member shall be entitled to receive a copy of the Annual Plan and Budget or any amendment upon request.

ARTICLE 7 – AUDITS, ACCOUNTABILITY AND ENFORCEMENT

- 7.1 Within one hundred and twenty (120) days of the end of each Fiscal Year, the Council shall cause to be prepared audited financial statements detailing the activities of, and expenditures from, the Revenue Account, and such audited financial statements shall be in comparative form regarding the Revenue Account and containing, at a minimum, the following:
- (a) a balance sheet;
 - (b) a statement of revenues and expenditures and a comparison of these with amounts stated in the Annual Plan and Budget during the Fiscal Year; and
 - (c) any other information necessary for a fair presentation of the financial position of the Revenue Account.
- 7.2 Unless otherwise directed by Council Resolution, the accounting and auditing requirements for the Revenue Account shall be completed by LRRCN's auditor together with, and consolidated with, the other accounts of LRRCN, and the auditor for the Revenue Account shall be the same auditor appointed by the Council to audit the other financial records of LRRCN.



- 7.3 The financial statements required under this Article shall be prepared in accordance with generally accepted accounting principles or in accordance with the disclosed basis of accounting of the Canadian Institute of Chartered Accountants, and audited in accordance with generally accepted auditing standards by an independent auditor who is a member in good standing of an association of auditors incorporated under the laws of the Province of Alberta. The audit shall include a general review of the adequacy of the accounting procedures and systems of control employed to manage the Revenue Account.
- 7.4 Within fifteen (15) days of Council approving the audited financial statements, the Chief Financial Officer shall cause copies of the audited financial statements for the Revenue Account to be posted in the administrative offices of LRRCN in an area to which the Members have access, and any Member shall be entitled to receive a copy of the audited financial statements upon request.
- 7.5 The Council shall conduct a community information meeting with the Members in each Fiscal Year, at which the Council shall present the audited financial statements for the Revenue Account for the previous Fiscal Year and provide a report which reconciles and compares the actual expenditures and deliverables from the Revenue Account with the approved Annual Plan and Budget, as amended, for that Fiscal Year.
- 7.6 No civil proceedings lie against any member of Council or an employee of LRRCN for anything done, or omitted to be done in relation to:
- (a) the exercise of any power, discretion or duty that is done in good faith in accordance with the *Financial Law*, the *Indian Act*, a Council Resolution, or any other applicable law; or
 - (b) the exercise of any power, discretion or duty that is based on an opinion or advice obtained from a trustee, solicitor, auditor, consultant, appraiser or other expert who is reasonably considered to be a person or persons on whom reliance should be placed with respect to the matter in issue under the circumstances.
- 7.7 Any member of Council or person who, at the request of Council, is serving or shall have served as an employee, advisor, consultant, agent or subcontractor of LRRCN in respect of the *Financial Law* shall be indemnified and saved harmless by LRRCN against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgments, fines, penalties, amounts paid in settlement and counsel and accountants' fees) of whatsoever kind or nature incurred by, borne by or asserted against any of such indemnified parties in any way arising from any act or omission in relation to the performance in good faith of such person's power, discretion or duties, unless a court of competent jurisdiction determines that such losses, claims, damages, liabilities, obligations, costs and expenses (including judgments, fines, penalties, amounts paid in settlement, and counsel and accountants fees) arise from the fraud, willful default or negligence of such party.
- 7.8 For greater certainty, the right to indemnification set forth in Article 7.8 shall be in addition to any rights to which the Council member or any person referred to in that Article may be entitled as a matter of law or equity or which may be lawfully granted to him by agreement or a court of law.

ARTICLE 8 – AMENDMENTS AND REPEAL

- 8.1 No amendment or repeal of the *Financial Law* is valid unless initiated by Council Resolution and



approved by at least fifty percent (50%) plus one of the Electors of LRRCN who cast ballots in a referendum vote held pursuant to the *Little Red River Referendum Regulations*.

ARTICLE 9 – GENERAL

- 9.1 Headings form no part of the *Financial Law*, but shall be construed as being inserted for reference only.
- 9.2 A finding by a court of competent jurisdiction that a section or provision of the *Financial Law* is void or invalid shall not affect nor bear upon the validity or invalidity of any other section, or the *Financial Law* as a whole.
- 9.3 In the *Financial Law*, words in the singular include the plural, and words in the plural include the singular, and the masculine includes the feminine and neuter where the context requires.

ARTICLE 10 – COMING INTO FORCE

- 10.1 Subject to approval pursuant to section 83(1) of the *Indian Act*, R.S.C. 1985, c. I-5 or section 9 of the *First Nations Fiscal Management Act*, S.C. 2005, this Bylaw shall come into force upon execution by Chief and Council.

Pursuant to a duly convened Council meeting held on the ____ day of _____, 2018, the Chief and Council of Little Red River Cree Nation have approved this law and have authorized and directed the Council to execute the *Little Red River Cree Nation Financial Administration Law* on behalf of the Little Red River Cree Nation.



IN WITNESS WHEREOF the Little Red River Cree Nation as represented by its duly elected Chief and Council, for themselves and on behalf of the Little Red River Cree Nation, have executed this Agreement under their respective hands this ___ day of _____, 2018, at _____ in the Province of Alberta.

LITTLE RED RIVER CREE NATION, as represented by its Council

Witness as to the signature of the Chief

Chief Conroy Sewepagaham

Witness as to the signatures of all the Councillors

Councillor Keith Alook

Councillor Delmer D'or

Councillor Henry Grandjambe

Councillor John Laboucan

Councillor Leslie Laboucan

Councillor Steve Ribbonleg

Councillor Alfred Seeseequon

Councillor S. Malcolm St. Arnault

Councillor Carmen St. Arnault-Alook

Councillor Willard Tallcree