

**Hatchet Lake Denesuline Nation
Consolidated Financial Statements
March 31, 2018**

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Consolidated Financial Statements
March 31, 2018

	<i>Page</i>
Management's Responsibility for Financial Reporting.....	1
Independent Auditors' Report.....	2
 Financial Statements	
Consolidated Statement of Financial Position.....	3
Consolidated Statement of Operations.....	4 - 5
Consolidated Statement of Accumulated Surplus.....	6
Consolidated Statement of Change in Net Financial Assets.....	7
Consolidated Statement of Cash Flows.....	8
Notes to Consolidated Financial Statements.....	9 - 31
 Program schedules	
Claims and Indian Government - Schedule #1.....	32
Community Infrastructure - Schedule #2.....	33
Economic Development - Schedule #3.....	34
Education - Schedule #4.....	35
Indian Government Support - Schedule #5.....	36
Social Services - Schedule #6.....	37
Indian Registration - Schedule #7.....	38
Governance and Institutions of Governance - Schedule #8.....	39
Health - Schedule #9.....	40
CMHC Housing - Schedule #10.....	41
Other Band Programs - Schedule #11.....	42
Amortization - Schedule #12.....	44

Chalupiak & Associates
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Independent Auditors' Report

To the Members of
Hatchet Lake Denesuline Nation

We have audited the accompanying consolidated financial statements of Hatchet Lake Denesuline Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, accumulated surplus, change 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 auditor's 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 First Nation'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 First Nation'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 qualified audit opinion.

Basis for Qualified Opinion

Canadian public sector accounting standards require the disclosure and ratification of budget information for comparison to the First Nation's actual revenue and expenses. The consolidated budgeted revenue, expenses and surplus have been reported in these financial statements, however, the budget was not ratified. While having no effect on reporting revenue, expenses and surplus, omission of this information is considered a departure from Canadian public sector accounting standards.

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Hatchet Lake Denesuline 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.

Hatchet Lake Denesuline Nation
Management's Responsibility for Financial Reporting
March 31, 2018

The financial statements have been prepared by management in accordance with the recommendations of the Public Sector Accounting Board (PSAB) and the reporting requirements of the funding agreement with Indigenous Services Canada (ISC). Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditors' report.

Chalupiak & Associates, an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on file

February 21, 2019

Date

Signature on file

February 21, 2019

Date

Hatchet Lake Denesuline Nation
Consolidated Statement of Financial Position
March 31, 2018

	2018	2017
Financial Assets		
Cash (Notes 3 and 10)	\$ -	\$ 742,278
Restricted cash - capital projects (Note 3)	2,328,913	2,243,878
Restricted cash - CMHC (Note 3)	120,047	900,290
Trust funds held by federal government (Notes 3 and 4)	21,831	21,377
Accounts receivable (Notes 5 and 6)	789,456	1,357,492
Inventory (Note 7)	274,182	201,905
Investments in related business entities (Notes 8 and 9)	33,692,393	32,411,678
	<hr/> 37,226,822	<hr/> 37,878,898
Liabilities		
Bank indebtedness (Notes 3 and 10)	302,522	-
Short-term financing (Note 10)	385,000	100,000
Accounts payable (Note 11)	1,444,049	1,518,624
Deferred revenue - unexpended funds - ISC (Note 12)	45,726	-
Deferred revenue (Note 13)	2,311,964	2,278,438
Due to(from) related entities (Note 14)	228,757	158,819
Current portion of long-term debt (Note 15)	467,802	451,698
Current portion of CMHC housing mortgage (Note 16)	246,129	244,926
Long-term debt (Note 15)	1,081,132	1,567,950
CMHC mortgages (Note 16)	3,217,602	3,465,389
	<hr/> 9,730,683	<hr/> 9,785,844
Net financial assets	<hr/> 27,496,139	<hr/> 28,093,054
Non-financial Assets		
Capital assets (Note 17)	27,938,418	25,699,915
Prepaid expenses (Note 18)	49,961	-
	<hr/> 27,988,379	<hr/> 25,699,915
Accumulated Surplus (Note 19)	<hr/> \$ 55,484,518	<hr/> \$ 53,792,969

Approved on behalf of the Hatchet Lake Denesuline Nation:

Signature on file

Signature on file

The accompanying notes are an integral part of the financial statements

Hatchet Lake Denesuline Nation
Consolidated Statement of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - grant	\$ -	\$ 1,122,723	\$ 910,215
Indigenous Services Canada - fixed	5,347,305	6,307,556	5,763,763
Indigenous Services Canada - set	-	251,095	402,668
Indigenous Services Canada - flexible	-	7,848,170	12,649,073
ISC - prior period revenue (recovery)	-	(10,467)	-
ISC - current year receivable (payable)	-	(112,250)	126,051
Health Canada	-	271,517	274,487
CMHC	-	312,675	420,437
Prince Albert Grand Council	1,670,971	2,622,065	2,002,175
First Nations Trust	-	589,632	581,239
Northern Lights School Division	499,468	338,164	901,704
NLCDC	-	147,257	147,927
Equity pickup (losses) - related business entities	-	1,412,715	1,460,160
Impact Benefit Agreement	-	530,675	2,834,985
User fees	-	5,624	7,604
Rental revenue	115,200	205,067	175,594
Other revenue	204,400	1,087,524	931,170
Administration fees - internal allocation	-	980,740	937,295
Unexpended funds transferred - prior year	-	1,055,817	469,173
Deferred revenue - prior period	-	2,278,438	132,431
Deferred revenue - current period	-	(2,311,964)	(2,278,438)
	<hr/>	<hr/>	<hr/>
	7,837,344	24,932,773	28,849,713
Expenses			
Claims and Indian Government (Schedule 1)	-	4,900	25,962
Community Infrastructure (Schedule 2)	-	1,303,868	1,688,001
Economic Development (Schedule 3)	-	-	200,000
Education (Schedule 4)	7,657,191	8,534,666	6,879,375
Indian Government Support (Schedule 5)	-	2,083,419	1,992,955
Social Services (Schedule 6)	-	3,754,646	3,701,075
Indian Registration (Schedule 7)	-	32,549	32,516
Governance and Institutions of Governance (Schedule 8)	-	17,298	28,000
Health (Schedule 9)	183,777	923,955	747,579
CMHC Housing (Schedule 10)	-	197,826	214,961
Other Band Programs (Schedule 11)	-	3,475,154	1,793,806
Amortization (Schedule 12)	-	1,811,403	1,684,971
	<hr/>	<hr/>	<hr/>
	7,840,968	22,139,684	18,989,201
Current surplus before unexpended transfers	(3,624)	2,793,089	9,860,509

The accompanying notes are an integral part of the financial statements

Hatchet Lake Denesuline Nation
Consolidated Statement of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Unexpended transfers			
Gain (loss) on disposal of tangible capital assets	-	-	21,428
Prior period unrecorded unexpended funds	-	(1,055,817)	(469,173)
Unexpended funds transferred to deferred revenue	-	(45,726)	-
	<hr/>	<hr/>	<hr/>
	-	(1,101,543)	(447,745)
Current surplus	<hr/>	<hr/>	<hr/>
	\$ (3,624)	\$ 1,691,546	\$ 9,412,764

The accompanying notes are an integral part of the financial statements

Hatchet Lake Denesuline Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2018

	2018	2017
Surplus at beginning of year	\$ 53,792,969	\$ 44,380,205
Current surplus	<u>1,691,546</u>	<u>9,412,764</u>
Surplus at end of year	<u>\$ 55,484,515</u>	<u>\$ 53,792,969</u>

The accompanying notes are an integral part of the financial statements

Hatchet Lake Denesuline Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Current surplus	\$ (3,624)	\$ 1,691,546	\$ 9,412,764
Acquisition of tangible capital assets	-	(4,049,903)	(9,048,645)
Amortization of tangible capital assets	-	1,811,403	1,684,971
Gain on sale of tangible capital assets	-	-	(21,428)
Proceeds of disposal of tangible capital assets	-	-	66,000
	-	(2,238,500)	(7,319,102)
Acquisition of prepaid asset	(49,961)	(49,961)	-
(Decrease) increase in net financial assets	(53,585)	(596,915)	2,093,662
Net financial assets at beginning of year	-	28,093,054	25,999,392
Net financial assets at end of year	\$ (53,585)	\$ 27,496,139	\$ 28,093,054

The accompanying notes are an integral part of the financial statements

Hatchet Lake Denesuline Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash flows from Operating activities		
Current surplus	\$ 1,691,546	\$ 9,412,764
Items not affecting cash		
Amortization	1,811,402	1,684,971
Gain on disposal of tangible capital assets	-	(21,428)
Earnings from investment in Nation business entities	<u>(1,327,708)</u>	<u>(1,460,160)</u>
Change in non-cash operating working capital	2,175,240	9,616,147
Accounts receivable	568,036	(977,075)
Inventory	(72,277)	(55,835)
Prepaid expenses	(49,961)	-
Accounts payable	(74,576)	721,938
Deferred revenue - unexpended funds - ISC	45,726	-
Deferred revenue	33,526	2,146,008
	<u>2,625,714</u>	<u>11,451,183</u>
Capital activities		
Purchase of capital assets	(4,049,907)	(9,048,647)
Proceeds of disposal of tangible capital assets	<u>-</u>	<u>66,000</u>
	<u>(4,049,907)</u>	<u>(8,982,647)</u>
Financing activities		
Due from Hatchet Lake Development LP	69,938	69,600
Repayment of Long-term debt	(470,715)	(450,535)
Repayment of CMHC mortgages	(246,584)	(236,443)
Advances of long term debt	-	530,123
Advances of CMHC mortgages	-	430,600
Short term financing	<u>285,000</u>	<u>100,000</u>
	<u>(362,361)</u>	<u>443,345</u>
Investing activities		
Contributions to Nation business partnerships	(150,000)	-
Withdrawals from Nation business partnerships	197,000	422,784
Restricted cash - CMHC	780,243	(162,939)
Change in Ottawa Trust funds	<u>(454)</u>	<u>(180)</u>
	<u>826,789</u>	<u>259,665</u>
Increase (decrease) in cash and cash equivalents	(959,765)	3,171,546
Cash and cash equivalents, beginning of year	2,986,156	(185,390)
Cash and cash equivalents, end of year	\$ 2,026,391	\$ 2,986,156

The accompanying notes are an integral part of the financial statements

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

1. Operations

The Hatchet Lake Denesuline Nation (the "First Nation") is located in the province of Saskatchewan, and provides various services to its members. Hatchet Lake Denesuline Nation includes the First Nation's government and all related entities that are accountable to the Nation and are either owned or controlled by the First Nation.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting entity

The Hatchet Lake Denesuline Nation reporting entity includes the Hatchet Lake Denesuline Nation government and all related entities that are controlled by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Hatchet Lake Denesuline Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Hatchet Lake Denesuline Nation.

Organizations consolidated in Hatchet Lake Denesuline Nation's financial statements include:
Hatchet Lake Denesuline Nation CMHC Housing

Organizations accounted for on a modified equity basis include:

Hatchet Lake Denesuline First Nation Economic Development Corporation
Hatchet Lake Development Limited Partnership
Waterfound Development LP
Waterfound Development Corp

(c) Asset classification

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

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

2. Basis of presentation and significant accounting policies (continued)

(d) Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by its financial assets less liabilities. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(f) Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts 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's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

2. Basis of presentation and significant accounting policies (continued)

(g) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Hatchet Lake Denesuline Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives. No amortization is recorded in the year of acquisition.

Buildings	25 years Straight line
Housing	25 years Straight line
Infrastructure	40 years Straight line
Equipment	3-10 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Hatchet Lake Denesuline Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(h) Trust funds

Funds earned and held in trust on behalf of First Nation members by the Government of Canada. Trust moneys consist of:

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

Revenues from Trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

2. Basis of presentation and significant accounting policies (continued)

(i) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 could differ from those estimates.

(j) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

(k) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees - internal allocation."

(l) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or the service is performed.

(m) Expense recognition

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

(n) Comparative figures

Comparative figures have been reclassified, where applicable, to conform to current presentation.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

3. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Hatchet Lake Denesuline Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Apartment Replacement and Subsidy Fund. Cash and cash equivalents is comprised of the following:

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Funds held in trust are held by the federal government in trust for the First Nation.

	2018	2017
Unrestricted cash (Bank indebtedness)		
CMHC operations	\$ -	\$ (25,277)
General operations	(177,230)	897,086
Social development	(156,701)	(136,263)
Health operations	31,409	6,732
	<hr/> (302,522)	<hr/> 742,278
Restricted cash - capital projects		
School renovations	1,596,917	158,058
Subdivision	717,572	1,386,388
Initial Benefit Agreement (IBA) account	14,424	699,432
	<hr/> 2,328,913	<hr/> 2,243,878
Restricted cash - CMHC		
CMHC Replacement Reserve	120,047	900,290
Restricted cash - funds held in trust by the federal government		
Capital funds	87	87
Revenue funds	21,744	21,290
	<hr/> 21,831	<hr/> 21,377
	<hr/> \$ 2,168,269	<hr/> \$ 3,907,823

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

4. Trust funds held by federal government

	2018	2017		
Capital funds held in trust	\$ 87	\$ 87		
Revenue funds held in trust	21,744	21,290		
	<hr/> \$ 21,831	<hr/> \$ 21,377		
	2018	2018	2018	2017
	Revenue	Capital	Total	Total
Surplus, beginning of year	\$ 21,290	\$ 87	\$ 21,377	\$ 21,197
Interest earnings	454	-	454	180
<u>Surplus, end of year</u>	<u>\$ 21,744</u>	<u>\$ 87</u>	<u>\$ 21,831</u>	<u>\$ 21,377</u>

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

5. Accounts receivable

	2018	2017
Due from members		
Loans and advances to members - band general	\$ 57,634	\$ 44,651
Loans and advances to members - health	1,021	11,725
Loans and advances to members - social development	159,232	-
Total Due from members	217,887	56,376
Due from others		
Prince Albert Grand Council	248,464	376,905
Rent receivable	426,767	425,967
Northern Lights School Division	338,164	499,468
NLCDC	58,057	14,123
Other receivables	10,714	-
Total Due from others	1,082,166	1,316,463
Due from Government and other government organizations		
Indigenous Services Canada	9,878	364,080
Health Canada	-	5,854
CMHC - subsidy	24,625	28,946
CMHC - mortgage funds	19,777	19,777
Total Due from government and other government organizations	54,280	418,657
Less: allowance for doubtful accounts	1,354,333	1,791,496
Total Accounts Receivable	\$ 789,456	\$ 1,357,492

6. Accounts receivable - ISC

	2018	2017
Economic Development	\$ -	\$ 20,000
Band Support	-	131,373
BEB	9,878	74,419
Basic Needs	-	88,288
Capital Projects	-	50,000
	\$ 9,878	\$ 364,080

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

7. Inventory

	2018	2017
<u>Propane</u>	<u>\$ 274,182</u>	<u>\$ 201,905</u>

8. Investments in government business entities

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	2018	2017
HLFN Economic Development Corp - 100%	\$ 198,652	\$ 198,029
Waterfound Development Corp. - 33%	2,026	1,872
HLFN Development LP - 99.99%	32,319,781	31,054,755
Waterfound Development LP - 33%	1,171,934	1,157,022
	<u>\$ 33,692,393</u>	<u>\$ 32,411,678</u>

	Investment, start of year	Contributions	Withdrawals	Share of earnings (loss)	Investment, end of year
HLFN Economic Development Corp	\$ 198,029	\$ -	\$ -	\$ 623	\$ 198,652
Waterfound Development Corp.	1,872	-	-	154	2,026
HLFN Development LP	31,054,755	150,000	-	1,115,026	32,319,781
Waterfound Development LP	1,157,022	-	(197,000)	211,912	1,171,934
	<u>\$ 32,411,678</u>	<u>\$ 150,000</u>	<u>\$ (197,000)</u>	<u>\$ 1,327,715</u>	<u>\$ 33,692,393</u>

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

9. Investments in government business entities

	Hatchet Lake Developments Mar 31, 2018	Waterfound Development LP Dec 31, 2017	Waterfound Development Corp Dec 31, 2017	2018 Total	2017 Total
Cash	\$ 618,616	\$ 10,665	\$ -	\$ 629,281	\$ 1,234,016
Marketable Securities	30,939	-	-	30,939	-
Accounts receivable	1,255,874	-	150	1,256,024	1,444,521
Inventory	1,916,568	-	-	1,916,568	1,626,318
Prepays	34,098	-	-	34,098	-
Other current assets	-	-	-	-	32,645
Investments	25,889,935	3,511,345	6,829	29,408,109	28,688,408
Advances to related parties	360,399	-	-	360,399	-
Tangible capital assets	5,009,424	-	-	5,009,424	4,682,855
Total assets	\$ 35,115,853	\$ 3,522,010	\$ 6,979	\$ 38,644,842	\$ 37,708,763
Accounts payable and accruals	\$ 1,186,320	\$ 5,000	\$ 901	\$ 1,192,221	\$ 1,252,700
Deferred revenue	70,607	-	-	70,607	364,911
Current portion of long term debt	361,868	-	-	361,868	-
Term loans due on demand	961,441	-	-	961,441	-
Long-term debt	17,184	-	-	17,184	1,170,940
Total liabilities	2,597,420	5,000	901	2,603,321	2,788,551
Equity	32,518,433	3,517,010	6,078	36,041,521	34,920,212
Total liabilities and equity	\$ 35,115,853	\$ 3,522,010	\$ 6,979	\$ 38,644,842	\$ 37,708,763

	Hatchet Lake Developments Mar 31, 2018	Waterfound Development LP Dec 31, 2017	Waterfound Development Corp Dec 31, 2017	2018 Total	2017 Total
Revenue	\$ 5,904,695	\$ 451,948	\$ 442	\$ 6,357,085	\$ 13,537,610
Other comprehensive income (loss)	-	-	-	-	118,628
Expenses	4,921,408	10,768	-	4,932,176	11,769,716
Net income	\$ 983,287	\$ 441,180	\$ 442	\$ 1,424,909	\$ 1,886,522

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

10. Bank indebtedness and short term financing

Bank indebtedness includes balances and cheques issued in excess of deposits and approved operating lines of credit.

The First Nation has an operating line of credit authorized to \$385,000 for all accounts of the First Nation at an interest of prime plus 1%. As of March 31, 2018 the First Nation had drawn on \$385,000 (2017 - \$100,000) of the operating line. The operating line is secured by a general security agreement on all property and Band Council Resolution directing all present and future funding to Canadian Imperial Bank of Canada for deposit to the Nation's various accounts.

11. Accounts payable

	2018	2017
Due to members		
Wages payable	\$ 150,868	\$ 79,459
Due to others		
Prince Albert Grand Council **	7,544	158,978
Trade payables	755,392	904,546
Accrued liabilities	70,500	321,127
Pension plan	40,772	38,789
Accrued interest	10,378	-
Total Due to others	884,586	1,423,440
Due to government and other government organizations		
Indigenous Services Canada	122,128	-
Canada Revenue Agency - payroll remittance	286,467	15,725
Total Due to government and other government organizations	408,595	15,725
	\$ 1,444,049	\$ 1,518,624

** Prince Albert Grand Council (PAGC) pays expenses directly on behalf of the Hatchet Lake Denesuline Nation (HLDN). These transactions are not recorded in detail in the records of HLDN. Payments are made to PAGC on a periodic basis and some revenue allocations are applied against the amount owing to PAGC. In the current year PAGC paid \$187,815 on behalf of HLDN (2017 - \$230,450).

12. Deferred revenue - unexpended funds - ISC

	2018	2017
Service Delivery	\$ 45,726	\$ -

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

13. Deferred revenue

	March 31, 2017	Funding received, 2018	Revenue recognized, 2018	March 31, 2018
Federal government				
ISC - Water Treatment Plant Upgrade	\$ 1,389,336	\$ 2,161,756	\$ (2,709,367)	\$ 841,725
ISC - School repairs	189,669	1,185,000	(117,344)	1,257,325
ISC - Propane Study	-	100,000	(17,086)	82,914
ISC - Lagoon Upgrade	-	100,000	-	100,000
ISC - Solid Waste Feasibility	-	30,000	-	30,000
Impact Benefit Agreement (IBA)	699,433	-	(699,433)	-
Total	\$ 2,278,438	\$ 3,576,756	\$ (3,543,230)	\$ 2,311,964

14. Due to (from) related entities

	2018	2017
Advances from Hatchet Lake Development Limited Partnership	\$ (228,757)	\$ (158,819)

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

15. Long-term debt

	2018	2017
CIBC Demand Installment Loan. Annual regular payments of \$185,714 plus monthly interest payments at prime plus 1.25%, secured by general security agreement over all Nation assets, due April 1, 2019.	\$ 371,429	\$ 557,143
First Nations Bank of Canada Loan. Quarterly payments of \$18,750 with interest paid monthly, interest calculated at prime plus 1%, secured by general security agreement and assignment of dividends from Waterfound Development LP, due July 1, 2025.	564,588	637,500
CIBC Demand Installment Loan. Monthly loan payment of \$12,500 plus monthly interest payments at 4.45%, loan is guaranteed by Government of Canada, due March 1, 2019.	150,000	300,000
CIBC Demand Installment Loan. Monthly payments of \$1,772 plus monthly interest payments at prime plus 1.25%, secured by a recreation van, due July 1, 2017.	-	7,088
CIBC Demand Installment Loan. Monthly payments of \$4,583 including interest at 4.95%, secured by general security agreement over all Nation assets, due March 1, 2029.	<u>462,917</u>	<u>517,917</u>
<u>Current portion</u>	<u>1,548,934</u>	<u>2,019,648</u>
	<u>467,802</u>	<u>451,698</u>
	<u><u>\$ 1,081,132</u></u>	<u><u>\$ 1,567,950</u></u>

Principal portion of long-term debt due within the next five years:

2019	\$ 467,802
2020	315,714
2021	130,000
2022	130,000
2023 and thereafter	<u>505,418</u>
	<u><u>\$ 1,548,934</u></u>

	2018	2017
Interest expense for the year on long-term debt	<u>\$ 67,718</u>	<u>\$ 112,353</u>

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

16. CMHC mortgages

	Phase number	Renewal date	Interest rate	Blended Monthly payment	2018	2017
CMHC	1	4/1/2020	1.05%	\$ 1,544	\$ 107,667	\$ 124,962
CMHC	2	2/1/2020	1.12%	319	24,279	27,814
CMHC	3	2/1/2021	1.01%	1,413	127,612	143,191
CMHC	4	3/1/2023	2.39%	1,435	150,868	164,911
CMHC	5	12/1/2019	1.83%	6,203	786,728	846,231
CMHC	6	2/1/2022	1.44%	3,368	509,453	542,293
CMHC	7	6/1/2018	1.67%	3,431	553,799	587,106
CMHC	8	4/1/2020	1.05%	2,218	416,099	438,225
CMHC	9	10/1/2020	1.04%	2,761	390,628	419,539
CMHC	10	6/1/2021	1.14%	2,006	396,598	416,043
					3,463,731	3,710,315
Current portion					246,129	244,926
					\$ 3,217,602	\$ 3,465,389

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

17. Tangible capital assets

	Cost	Additions	Accumulated amortization	Net book value	2018
Buildings	\$ 21,603,048	\$ 207,562	\$ 15,959,508	\$ 5,851,103	
Housing	18,238,158	863,454	8,967,927	10,133,685	
Infrastructure	10,809,401	2,709,367	2,023,979	11,494,789	
<u>Equipment</u>	<u>1,906,616</u>	<u>269,523</u>	<u>1,717,297</u>	<u>458,842</u>	
	<hr/> <u>\$ 52,557,223</u>	<hr/> <u>\$ 4,049,906</u>	<hr/> <u>\$ 28,668,711</u>	<hr/> <u>\$ 27,938,419</u>	<hr/>
	Cost	Additions	Accumulated amortization	Net book value	2017
Buildings	\$ 21,327,762	\$ 275,286	\$ 15,203,816	\$ 6,399,232	
Housing	15,140,600	3,097,558	8,308,310	9,929,848	
Infrastructure	5,309,720	5,499,682	1,823,281	8,986,120	
<u>Equipment</u>	<u>1,854,113</u>	<u>52,503</u>	<u>1,521,901</u>	<u>384,715</u>	
	<hr/> <u>\$ 43,632,195</u>	<hr/> <u>\$ 8,925,029</u>	<hr/> <u>\$ 26,857,308</u>	<hr/> <u>\$ 25,699,915</u>	<hr/>

18. Prepaid expenses

	2018	2017
Insurance	\$ 49,961	\$ -

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

19. Accumulated surplus

	2018	2017
Restricted operating surplus		
Equity in Ottawa Trust Funds		
Balance beginning of year	\$ 21,376	\$ 21,196
Contributions	454	180
	<hr/> <u>21,830</u>	<hr/> <u>21,376</u>
Equity in CMHC reserves		
Balance beginning of year	566,411	511,364
Contributions	87,000	66,210
Withdrawals	-	<u>(11,163)</u>
	<hr/> <u>653,411</u>	<hr/> <u>566,411</u>
Equity in tangible capital assets		
Balance beginning of year	20,269,953	13,374,595
Amortization	(1,811,401)	(1,684,971)
Purchases	4,049,906	9,048,646
Disposals	-	<u>(44,572)</u>
Loan advances	-	<u>(960,723)</u>
Loan repayment	567,299	<u>536,978</u>
	<hr/> <u>23,075,757</u>	<hr/> <u>20,269,953</u>
Equity in business investments		
Balance beginning of year	32,411,678	31,374,302
Contributions	150,000	-
Share of earnings	1,327,715	1,460,043
Withdrawals	(197,000)	<u>(422,784)</u>
	<hr/> <u>33,692,393</u>	<hr/> <u>32,411,561</u>
Unrestricted Operating Surplus (Deficit)		
Balance, beginning of year	523,669	(901,250)
Current year surplus	1,691,546	9,412,763
Transfer to Ottawa Trust Funds	(454)	<u>(180)</u>
Transfer to CMHC reserves	(87,000)	<u>(55,047)</u>
Transfer to tangible capital assets	(2,805,804)	<u>(6,895,358)</u>
Transfer to business investments	(1,280,832)	<u>(1,037,259)</u>
	<hr/> <u>(1,958,875)</u>	<hr/> <u>523,669</u>
	<hr/> <u>\$ 55,484,516</u>	<hr/> <u>\$ 53,792,970</u>

Hatchet Lake Denesuline Nation

Notes to Consolidated Financial Statements

March 31, 2018

20. Indigenous Services Canada (ISC) reconciliation

	2018	2017
ISC revenue per agreement	\$ 15,694,445	\$ 21,196,429
Prior period payable (receivable)		
(Deferred) recognized - FNWWAP - Water	-	(1,345,470)
(Deferred) recognized - School heating system	-	(52,257)
(Deferred) recognized - Water and sewer study	-	1,152
(Deferred) recognized - 2012 School renovations	-	(50,000)
Institutional Care	(972)	-
Economic Development	(9,495)	-
Band employee benefits funding (over) short	(37,763)	-
Basic needs funding (over) short	(88,288)	-
Current year receivable (payable)		
Basic needs - PAYE	(37,958)	-
Basic needs	(106,652)	64,153
Band employee benefits	9,878	37,763
Special Needs	(15,171)	-
Institutional Care	(1,197)	-
	<hr/>	<hr/>
	\$ 15,406,827	\$ 19,851,770

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

21. Government Transfers

	2018		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada	\$ 11,028,986	\$ 4,377,841	\$ 15,406,827
Health Canada	271,517	-	271,517
Canada Mortgage and Housing Corporation	312,675	-	312,675
Total	11,613,178	4,377,841	15,991,019
Provincial government transfers			
Total	\$ 11,613,178	\$ 4,377,841	\$ 15,991,019
	2017		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada	\$ 11,963,611	\$ 7,888,159	\$ 19,851,770
Health Canada	274,487	-	274,487
Canada Mortgage and Housing Corporation	291,041	129,396	420,437
Total	12,529,139	8,017,555	20,546,694
Provincial government transfers			
Total	\$ 12,529,139	\$ 8,017,555	\$ 20,546,694

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

22. Contingent liabilities

Hatchet Lake Denesuline Nation has the following contingent liabilities:

- a) Hatchet Lake Denesuline Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.
- b) In addition, in the normal course of its operations, Hatchet Lake Denesuline Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Hatchet Lake Denesuline Nation's financial statements.
- c) Hatchet Lake First Nation is contingently liable for \$700,000 of a loan issued to the Athabasca Denesuline Child & Family Services Inc for the construction of the group home.
- d) The First Nation is party to a government partnership operating as a non-profit corporation (Denesuline Ne Ne Land Corp.) with two other First Nations. The three First Nations as a group have signed loan agreements with the Government of Canada to finance a land claim process. The total of the loans outstanding as of March 31, 2018 is \$18,766,210 (2017 - \$18,045,792). A potential settlement agreement has been offered which would indicate a significant portion of the loan balance would be forgiven, with the remaining balance applied against the settlement amount. Due to the uncertainty whether the loans will actually be repayable and that the three First Nations have not agreed to an allocation of the responsibility for the loan nor the potential settlement payout, no amount related to the loans has been reported in these financial statements. It is possible the Nation could be responsible for a portion of the loans. The government partnership has not been reported in these financial statements on a proportionate basis as a result of the First Nations not agreeing to an allocation of the responsibilities for the loan nor the potential settlement payout, and as a result the 'ownership' of the government partnership. Summary financial information from the government partnership's audited financial statements is as follows:

Year	Assets	Liabilities	Net Assets	Revenues	Expenses	Surplus(Deficit)
March 2018	240,918	204,163	44,450	1,559,838	2,006,325	(446,487)
March 2017	721,349	239,272	490,937	1,758,835	1,607,934	150,901

Note: The loan proceeds are reported as revenue by the government partnership as a government transfer from the First Nations. If the Nation was to proportionately report the operations of the government partnership, the revenue would be reported as a liability of the Nation as part of the loan repayable.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

23. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Post-employment benefits

Hatchet Lake Denesuline Nation does not provide extended health, dental and life insurance benefits to retired employees and therefore has no obligations with regards to post employment benefits.

Pension plan

Hatchet Lake Denesuline Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 3.0% to 7.0% of their basic salary; Hatchet Lake Denesuline Nation contributes a matching portion which is directed to the member's contribution account. Hatchet Lake Denesuline Nation does not have any other obligations with regards to the pension plan as at March 31, 2018.

24. CMHC Operating Agreement

The CMHC funding agreements require that the First Nation set aside cash in specially funded reserve bank accounts. On March 31, 2018 the CMHC reserves required an amount of \$653,411 to be set aside; the reserves were underfunded by \$533,365 (2017 - fully funded).

The CMHC operating agreement sets a minimum rent contribution for each unit. The First Nation is responsible for any shortfalls in rent; in 2018 the rent shortfall was \$101,900 (2017 - \$133,163).

25. Related party transactions

Transactions with related parties, if any, are in the normal course of business, and are for fair consideration that is mutually agreed upon by the related parties.

26. Fair value

The fair value of the financial assets (except the investments), and current liabilities approximates their carrying value due to their short term nature. It is not practical to determine fair value for the investments with sufficient reliability because of the limited market for them. The fair value of the First Nation's long-term debt approximates cost due to either the short-term nature (either to term or to renewal) or has interest floating at market rates.

27. Interest rate risk

The First Nation is not exposed to significant interest rate risk on its monetary assets and current liabilities, due to their short term maturity. The First Nation is exposed to interest rate price risk on its long term debt that has a fixed interest rate.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

28. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and derived from the estimates approved by the Hatchet Lake Denesuline Nation.

29. Economic dependence

The First Nation receives a substantial amount of its funding from Indigenous Services Canada ("ISC") as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

30. Expenses by object

	2018 Budget	2018 Actual	2017 Actual
Administration	\$ 619,324	\$ 943,133	\$ 953,356
Amortization	-	1,811,403	1,684,971
Assistance to band members	-	152,679	345,753
Bad debts	-	22,409	5,781
Bank charges and interest	-	22,591	26,111
Community events	2,000	200,895	247,455
Consultants and contractors	-	3,136,455	6,098,856
Cultural programs	-	115,246	-
Economic - landfill management	-	54,500	54,500
Economic Development	-	-	5,850
Election	-	2,400	-
Honorariums	30,000	28,398	40,500
Insurance	-	157,009	134,281
Interest on long-term debt	-	122,769	112,353
NCBR program expenses	-	389,441	411,109
Office equipment lease	40,000	85,501	75,642
Office supplies	72,500	56,170	33,412
Post Secondary - administration	64,300	64,784	63,983
Post Secondary - entrance preparation	-	114,647	-
Post Secondary - student expenses	617,000	550,858	541,459
Postage and freight	55,600	301,447	111,506
Professional fees	-	52,213	62,855
Program expenses	-	80,634	-
Repairs and maintenance	51,000	1,118,442	531,569
Social assistance - basic needs	-	2,810,327	2,825,124
Social assistance - special needs	-	273,028	264,350
Student expenses	136,000	162,349	49,401
Supplies	503,500	1,300,292	923,680
Telephone	16,500	81,662	69,360
Training	53,000	32,604	50,104
Travel, meetings, per diems	192,400	888,464	879,378
Tuition	-	22,210	-
Utilities	349,000	817,369	492,839
Vehicles	88,500	267,129	296,538
Wages and benefits	4,950,344	9,766,196	7,372,093
Youth programs	-	43,362	-
Transfer to capital assets	-	(3,909,332)	(5,774,968)
	<hr/>	<hr/>	<hr/>
	\$ 7,840,968	\$ 22,139,684	\$ 18,989,201
	<hr/>	<hr/>	<hr/>

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

31. Segmented information

As previously discussed in note 2 (j) the First Nation conducts its business through reportable segments as follows:

1) Indigenous Services Canada (ISC)

Claims and Indian Government:

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Development:

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education:

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with ISC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indian Government Support:

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2018

31. Segmented information, continued

Land Management:

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

Social Development:

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Indian Registration:

Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

Governance and Institutions of Government:

Costs associated with Governance and Institution of Government activities.

2) Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3) Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth

4) Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Schedule #1
Hatchet Lake Denesuline Nation
Claims and Indian Government
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Other revenue	\$ -	\$ 5,000	\$ 5,447
Expenses			
Community events	- -	- -	1,000 -
Honorariums	- -	600 -	- -
Travel, meetings, per diems	- -	4,300 -	24,162 200
Vehicles	- -	- -	200 -
Wages and benefits	- -	- -	600 -
	- -	4,900 -	25,962 -
Current surplus (deficit)	\$ -	\$ 100	\$ (20,515)

The accompanying notes are an integral part of the financial statements

Schedule #2
Hatchet Lake Denesuline Nation
Community Infrastructure
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - fixed	\$ -	\$ 572,163	\$ 463,733
Indigenous Services Canada - flexible	-	4,396,427	9,285,624
CMHC	-	-	129,396
Prince Albert Grand Council	-	34,028	-
User fees	-	5,624	7,603
Other revenue	-	266,612	5,236
Unexpended funds transferred - prior year	-	10,821	6,578
Deferred revenue - prior period	-	1,579,005	132,431
Deferred revenue - current period	-	(2,311,964)	(1,579,005)
	-	<u>4,552,716</u>	<u>8,451,596</u>
Expenses			
Administration	-	48,764	32,615
Bank charges and interest	-	308	2,755
Consultants and contractors	-	2,843,798	5,774,968
Economic - landfill management	-	54,500	54,500
Insurance	-	85,239	69,767
Interest on long-term debt	-	11,927	22,168
Office equipment lease	-	242	-
Postage and freight	-	16,494	15,919
Professional fees	-	5,666	-
Repairs and maintenance	-	733,107	492,546
Supplies	-	74,119	97,549
Telephone	-	13,656	6,041
Training	-	4,374	-
Travel, meetings, per diems	-	75,358	59,643
Utilities	-	290,432	161,910
Vehicles	-	26,537	31,744
Wages and benefits	-	709,511	640,845
Transfer to capital assets	-	(3,690,165)	(5,774,968)
	-	<u>1,303,867</u>	<u>1,688,002</u>
Current surplus before transfers	-	3,248,849	6,763,594
Transfers			
Transfer - Other Band Programs	-	-	1,839,800
Transfer - Amortization	-	(713,522)	(632,988)
Current surplus	\$ -	\$ 2,535,327	\$ 7,970,406

The accompanying notes are an integral part of the financial statements

Schedule #3
Hatchet Lake Denesuline Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - set	\$ -	\$ -	\$ 200,000
ISC - prior period revenue (recovery)	- -	(9,495)	-
	-	(9,495)	200,000
Expenses			
Consultants and contractors	-	-	200,000
Current deficit	\$ -	\$ (9,495)	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #4
Hatchet Lake Denesuline Nation
Education
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 5,347,305	\$ 5,468,697	\$ 5,034,619
Prince Albert Grand Council	1,505,199	1,847,247	1,402,362
Other revenue	187,600	45,118	49,100
Unexpended funds transferred - prior year	-	949,525	389,727
	7,040,104	8,310,587	6,875,808
Expenses			
Administration	602,747	644,568	555,877
Community events	2,000	-	7,150
Consultants and contractors	-	114,312	500
Cultural programs	-	115,246	-
Honorariums	30,000	19,100	16,955
Office equipment lease	40,000	65,577	68,592
Office supplies	72,500	1,240	17,823
Post Secondary - administration	64,300	64,784	63,983
Post Secondary - entrance preparation	-	114,647	-
Post Secondary - student expenses	617,000	550,858	541,459
Postage and freight	55,500	50,094	64,128
Repairs and maintenance	50,000	34,290	27,866
Student expenses	136,000	112,429	49,401
Supplies	479,500	605,514	379,514
Telephone	15,000	16,972	21,561
Training	50,000	6,280	23,153
Travel, meetings, per diems	181,500	153,415	190,729
Utilities	345,000	463,644	325,035
Vehicles	87,500	112,465	76,076
Wages and benefits	4,828,644	5,342,820	4,449,572
Youth programs	-	8,120	-
Transfer to capital assets	-	(61,708)	-
	7,657,191	8,534,667	6,879,374
Current deficit before transfers	(617,087)	(224,080)	(3,566)
Transfers			
Transfer - Amortization	-	(950,707)	(887,272)
Current deficit	\$ (617,087)	\$ (1,174,787)	\$ (890,838)

The accompanying notes are an integral part of the financial statements

Schedule #5
Hatchet Lake Denesuline Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - grant	\$ -	\$ 1,122,723	\$ 910,215
Indigenous Services Canada - fixed	- -	81,330	65,568
Indigenous Services Canada - set	- -	210,827	173,064
ISC - current year receivable (payable)	- -	9,878	37,763
Unexpended funds transferred - prior year	- -	- 3,564	3,564
	- -	1,424,758	1,190,174
Expenses			
Administration	- -	91,022	91,022
Bank charges and interest	- -	18,877	22,061
Community events	- -	13,424	10,150
Consultants and contractors	- -	162,746	76,488
Election	- -	2,400	-
Honorariums	- -	4,748	20,995
Interest on long-term debt	- -	55,791	36,497
Office equipment lease	- -	19,682	7,050
Office supplies	- -	54,930	15,589
Postage and freight	- -	39,944	10,096
Professional fees	- -	43,883	57,355
Supplies	- -	55,372	105,886
Telephone	- -	33,852	33,234
Travel, meetings, per diems	- -	359,029	445,693
Vehicles	- -	25,607	58,127
Wages and benefits	- -	1,148,905	1,002,712
Transfer to capital assets	- -	(46,793)	-
	- -	2,083,419	1,992,955
Current deficit before unexpended transfers	- -	(658,661)	(802,781)
Unexpended transfers			
Gain (loss) on disposal of tangible capital assets	- -	- 21,428	21,428
Current deficit before transfers	- -	(658,661)	(781,353)
Transfers			
Transfer - Other Band Programs	- -	596,745	498,849
Transfer - Amortization	- -	(97,441)	(114,850)
Current deficit	\$ -	\$ (159,357)	\$ (397,354)

The accompanying notes are an integral part of the financial statements

Schedule #6
Hatchet Lake Denesuline Nation
Social Services
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - fixed	\$ -	\$ 158,352	\$ 158,352
Indigenous Services Canada - set	-	40,268	29,604
Indigenous Services Canada - flexible	-	3,451,743	3,363,449
ISC - prior period revenue (recovery)	-	(972)	-
ISC - current year receivable (payable)	-	(122,128)	88,288
Unexpended funds transferred - prior year	-	95,471	69,304
	-	3,622,734	3,708,997
Expenses			
Administration	-	23,066	15,825
Administration	-	38,944	76,788
Consultants and contractors	-	10,000	18,900
Consulting	-	-	15,000
Elders honorarium	-	-	3,232
Postage and freight	-	11,592	220
Social assistance - basic needs	-	2,810,327	2,825,124
Social assistance - special needs	-	273,028	264,350
Supplies	-	11,787	5,400
Supplies	-	34,340	117,701
Telephone	-	860	1,200
Telephone	-	5,228	736
Training and workshops	-	144,562	-
Travel	-	7,676	9,249
Travel, meetings, per diems	-	16,759	14,125
Tuition	-	100,000	34,284
Utilities	-	25,244	-
Vehicle expense	-	200	2,237
Vehicles	-	31	907
Wages and benefits	-	62,860	151,420
Wages and benefits	-	178,142	144,377
	-	3,754,646	3,701,075
Current surplus (deficit) before unexpended transfers	-	(131,912)	7,922
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(45,726)	-
Current surplus (deficit)	\$ -	\$ (177,638)	\$ 7,922

The accompanying notes are an integral part of the financial statements

Schedule #7
Hatchet Lake Denesuline Nation
Indian Registration
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - fixed	\$ -	\$ 13,522	\$ 13,491
Expenses			
Administration	- -	- -	1,349 1,349
Travel, meetings, per diems	- -	- -	1,303 1,303
Wages and benefits	- -	32,549 32,549	29,864 29,864
	- -	32,549 32,549	32,516 32,516
Current deficit	\$ -	\$ (19,027)	\$ (19,025)

The accompanying notes are an integral part of the financial statements

Schedule #8
Hatchet Lake Denesuline Nation
Governance and Institutions of Governance
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada - fixed	\$ -	\$ 13,492	\$ 28,000
Expenses			
Consultants and contractors	-	5,600	28,000
Travel, meetings, per diems	-	11,698	-
	-	17,298	28,000
Current deficit	\$ -	\$ (3,806)	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #9
Hatchet Lake Denesuline Nation
Health
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Health Canada	\$ -	\$ 271,517	\$ 274,487
Prince Albert Grand Council	165,772	615,223	582,773
Other revenue	16,800	7,381	2,715
	182,572	894,121	859,975
Expenses			
Administration	16,577	87,674	16,250
Bank charges and interest	-	3,406	1,219
Postage and freight	100	1,890	2,280
Program expenses	-	22,867	-
Repairs and maintenance	1,000	-	210
Supplies	24,000	87,953	45,781
Telephone	1,500	10,634	6,500
Training	3,000	21,950	26,951
Travel, meetings, per diems	10,900	85,458	64,280
Utilities	4,000	7,945	5,895
Vehicles	1,000	650	1,180
Wages and benefits	121,700	593,526	577,032
	183,777	923,953	747,578
Current surplus (deficit)	\$ (1,205)	\$ (29,832)	\$ 112,397

The accompanying notes are an integral part of the financial statements

Schedule #10
Hatchet Lake Denesuline Nation
CMHC Housing
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
CMHC - subsidy	\$ -	\$ 294,930	\$ 291,041
CMHC - HIIFNHY	- -	17,745	-
Rental revenue	- -	135,945	69,004
	- -	448,620	360,045
Expenses			
Administration	- -	42,420	41,970
Insurance	- -	71,770	64,514
Interest on long-term debt	- -	55,051	53,689
Professional fees	- -	2,665	5,500
Repairs and maintenance	- -	1,440	10,947
Wages and benefits	- -	24,480	38,341
	- -	197,826	214,961
Current surplus	\$ -	\$ 250,794	\$ 145,084

The accompanying notes are an integral part of the financial statements

Schedule #11
Hatchet Lake Denesuline Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Prince Albert Grand Council	\$ -	\$ 125,567	\$ 17,040
First Nations Trust	- -	589,632	581,239
Northern Lights School Division	499,468	338,164	901,704
NLCDC	- -	147,257	147,927
Equity pickup (losses) - related business entities	- -	1,412,715	1,460,160
Impact Benefit Agreement	- -	530,675	2,834,985
Rental revenue	115,200	69,120	106,590
Other revenue	- -	763,413	868,671
Administration fees - internal allocation	- -	980,740	937,295
Deferred revenue - prior period	- -	699,433	- -
Deferred revenue - current period	- -	(699,433)	(699,433)
	614,668	5,656,716	7,156,178
Expenses			
Administration	- -	5,620	198,449
Assistance to band members	- -	152,679	345,753
Bad debts	- -	22,409	5,781
Bank charges and interest	- -	- -	76
Canoe Quest	- -	30,800	- -
Community development	- -	10,000	- -
Community events	- -	187,471	229,155
Cultural enrichment	- -	2,150	- -
Economic Development	- -	- -	5,850
Honorariums	- -	3,950	2,550
Life skills	- -	14,817	- -
Postage and freight	- -	181,433	18,863
Repairs and maintenance	- -	349,604	- -
Student expenses	- -	49,920	- -
Supplies	- -	465,546	289,548
Telephone	- -	1,319	1,288
Travel, meetings, per diems	- -	182,447	79,443
Tuition	- -	22,210	- -
Utilities	- -	30,104	- -
Vehicles	- -	101,839	128,304
Wages and benefits	- -	1,736,258	488,745
Youth programs	- -	35,242	- -
Transfer to capital assets	- -	(110,666)	- -
	- -	3,475,152	1,793,805
Current surplus before unexpended transfers	614,668	2,181,564	5,362,373

The accompanying notes are an integral part of the financial statements

Schedule #11, continued
Hatchet Lake Denesuline Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Unexpended transfers			
Prior period unrecorded unexpended funds	-	(1,055,817)	(469,173)
Current surplus before transfers			
	614,668	1,125,747	4,893,200
Transfers			
Transfer - Community Infrastructure	-	-	(1,839,800)
Transfer - Indian Government Support	-	(596,745)	(498,849)
Transfer - Amortization	-	(49,733)	(49,861)
Current surplus	\$ 614,668	\$ 479,269	\$ 2,504,690

The accompanying notes are an integral part of the financial statements

Schedule #12
Hatchet Lake Denesuline Nation
Amortization
Schedule of Operations
For the year ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Sanitation Systems	-	62,362	66,214
Water Systems	-	54,121	54,120
Community Owned Housing	-	589,599	505,218
Roads	-	6,037	6,037
Community Buildings	-	1,403	1,398
Arena	-	49,734	49,861
Student Transportation	-	36,742	15,136
School Maintenance	-	835,136	796,006
Teacherage Maintenance	-	78,830	76,130
Band Government	-	97,439	114,851
	-	1,811,403	1,684,971
Current deficit before transfers	-	(1,811,403)	(1,684,971)
Transfers			
Transfer - Programs	-	1,811,403	1,684,971
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements