

**Hatchet Lake Denesuline Nation  
Consolidated Financial Statements  
March 31, 2019**

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**Consolidated Financial Statements**  
*March 31, 2019*

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**Hatchet Lake Denesuline Nation**  
**Management's Responsibility for Financial Reporting**  
*March 31, 2019*

To the Members of Hatchet Lake Denesuline Nation:

The accompanying consolidated financial statements of Hatchet Lake Denesuline Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the consolidated financial statements. Chief and Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

Chalupiak & Associates CPA Professional Corporation, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

On behalf of Hatchet Lake Denesuline Nation:

signature on file  
Hatchet Lake Denesuline Nation

December 16, 2019  
Date



## Chalupiak & Associates CPA Professional Corporation

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### Independent Auditors' Report

To the Members of  
**Hatchet Lake Denesuline Nation**

#### ***Qualified Opinion***

We have audited the consolidated financial statements of Hatchet Lake Denesuline Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2019 and the results of its consolidated statements of operations, accumulated surplus, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### ***Basis for Qualified Opinion***

The Hatchet Lake Denesuline Nation reporting entity includes Hatchet Lake Denesuline Nation government and all related entities that are controlled by the First Nation. Hatchet Lake Denesuline First Nation Economic Development Corporation and Hatchet Lake Development Limited Partnership are consolidated using the modified equity method. Audited financial statements for these entities were not available for the year ended March 31, 2019, nor was there any other information available to satisfy ourselves as to the equity in these entities as at March 31, 2019. The reported equity in these entities for the March 31, 2019 consolidated statement of financial position is reported based on the equity in these entities as at March 31, 2018 and there has been no equity pickup or loss on investments reported in the statement of operations. Consequently, we were unable to determine what effect, if any, this has on the assets, liabilities and equity reported on the consolidated statement of financial position and the consolidated statement of operations for the year ended March 31, 2019.

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 were not available and have not been reported in these financial statements. While having no effect on reporting actual revenue, expenses and surplus, omission of this information is considered a departure from Canadian public sector accounting standards.

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

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

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

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

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

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- ◆ 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.

**Hatchet Lake Denesuline Nation**  
**Consolidated Statement of Financial Position**  
*March 31, 2019*

	2019	2018
<b>Financial Assets</b>		
Restricted cash - capital projects (Note 3)	\$ 351,823	\$ 2,328,913
Restricted cash - CMHC (Note 3)	95,308	120,047
Trust funds held by federal government (Notes 3 and 4)	22,586	21,831
Accounts receivable (Notes 5 and 6)	1,272,929	789,456
Investments in related business entities (Notes 7 and 8)	<u>33,637,892</u>	<u>33,692,393</u>
	 <u>35,380,538</u>	 <u>36,952,640</u>
<b>Liabilities</b>		
Bank indebtedness (Notes 3 and 9)	267,015	285,736
Short-term financing (Note 9)	628,953	401,786
Accounts payable (Note 10)	2,020,939	1,444,049
Deferred revenue - unexpended funds - ISC (Note 11)	358,302	45,726
Deferred revenue - unexpended funds - non ISC (Note 12)	42,017	-
Deferred revenue (Note 13)	577,210	2,311,964
Due to Hatchet Lake Development LP (Note 14)	453,725	228,757
Current portion of long-term debt (Note 15)	315,714	467,802
Current portion of CMHC housing mortgage (Note 16)	287,426	246,129
Long-term debt (Note 15)	765,416	1,081,132
CMHC mortgages (Note 16)	<u>3,953,713</u>	<u>3,217,602</u>
	 <u>9,670,430</u>	 <u>9,730,683</u>
<b>Net financial assets</b>	 <u>25,710,108</u>	 <u>27,221,957</u>
<b>Non-financial Assets</b>		
Capital assets (Note 17)	29,131,716	27,938,417
Prepaid expenses (Note 18)	43,239	49,961
Inventory (Note 19)	<u>294,887</u>	<u>274,182</u>
	 <u>29,469,842</u>	 <u>28,262,560</u>
<b>Accumulated Surplus</b> (Note 20)	 <u>\$ 55,179,950</u>	 <u>\$ 55,484,517</u>

**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, 2019*

		2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>				
Indigenous Services Canada - grant	\$ -	\$ 1,102,503	\$ 1,122,723	
Indigenous Services Canada - fixed	-	6,050,554	6,307,556	
Indigenous Services Canada - set	-	316,865	251,095	
Indigenous Services Canada - flexible	-	4,748,462	7,848,170	
ISC - prior period revenue (recovery)	-	24,466	(10,467)	
ISC - current year receivable (payable)	-	10,534	(112,250)	
Health Canada	-	368,582	271,517	
CMHC	-	361,366	312,675	
Prince Albert Grand Council	-	2,790,563	2,622,065	
First Nations Trust	-	578,071	589,632	
Northern Lights School Division	-	356,997	338,164	
Athabasca Denesuline Child & Family Services Inc.	-	175,000	-	
NLCDC	-	145,425	147,257	
Northern Sport Culture & Recreation District	-	42,354	45,119	
Hatchet Lake Store	-	123,413	-	
Equity pickup (losses) - related business entities	-	75,499	1,412,715	
Impact Benefit Agreement	-	454,802	530,675	
User fees	-	10,291	5,624	
Rental revenue	-	186,144	205,067	
Other revenue	-	505,304	1,042,405	
Administration fees - internal allocation	-	295,622	980,740	
Unexpended funds transferred - prior year	-	45,726	1,055,817	
Deferred revenue - prior period	-	2,311,964	2,278,438	
Deferred revenue - current period	-	(577,210)	(2,311,964)	
		- 20,503,297	24,932,773	
<b>Expenses</b>				
Claims and Indian Government (Schedule 1)	-	52,648	4,900	
Community Infrastructure (Schedule 2)	-	1,618,029	1,303,868	
Economic Development (Schedule 3)	-	57,650	-	
Education (Schedule 4)	-	7,276,313	8,534,666	
Indian Government Support (Schedule 5)	-	2,120,241	2,083,419	
Social Services (Schedule 6)	-	4,042,521	3,754,646	
Indian Registration (Schedule 7)	-	13,815	32,549	
Governance and Institutions of Governance (Schedule 8)	-	170,219	17,298	
Health (Schedule 9)	-	1,038,328	923,955	
CMHC Housing (Schedule 10)	-	226,321	197,826	
Other Band Programs (Schedule 11)	-	1,925,431	3,475,154	
Amortization (Schedule 12)	-	1,866,028	1,811,403	
		- 20,407,544	22,139,684	
<b>Current surplus before unexpended transfers</b>		- 95,753	2,793,091	

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Unexpended transfers</b>			
Prior period unrecorded unexpended funds	-	-	(1,055,817)
Unexpended funds transferred to deferred revenue	-	(400,319)	(45,726)
	-	(400,319)	(1,101,543)
<b>Current surplus (deficit)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	-	(304,566)	1,691,548

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, 2019*

	2019	2018
<b>Surplus at beginning of year</b>	\$ 55,484,517	\$ 53,792,969
<b>Current surplus (deficit)</b>	(304,566)	1,691,548
<b>Surplus at end of year</b>	<b>\$ 55,179,951</b>	<b>\$ 55,484,517</b>

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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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b><u>Current surplus (deficit)</u></b>	<b>\$ -</b>	<b>\$ (304,566)</b>	<b>\$ 1,691,548</b>
Acquisition of tangible capital assets	- (3,059,329)	(4,049,905)	
<u>Amortization of tangible capital assets</u>	<u>- 1,866,029</u>	<u>1,811,403</u>	
	- (1,193,300)	(2,238,502)	
Acquisition of prepaid asset	- (43,239)	(49,961)	
<u>Use of prepaid asset</u>	<u>- 49,961</u>	<u>-</u>	
	- 6,722	(49,961)	
Acquisition of inventory	- (294,887)	(274,182)	
<u>Use of inventory</u>	<u>- 274,182</u>	<u>201,905</u>	
	- (20,705)	(72,277)	
Decrease in net financial assets	- (1,511,849)	(669,192)	
<b>Net financial assets at beginning of year</b>	<b>27,221,957</b>	<b>27,221,957</b>	<b>27,891,149</b>
<b><u>Net financial assets at end of year</u></b>	<b><u>\$ 27,221,957</u></b>	<b><u>\$ 25,710,108</u></b>	<b><u>\$ 27,221,957</u></b>

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, 2019*

	2019	2018
<b>Cash flows from</b>		
<b>Operating activities</b>		
Current surplus (deficit)	\$ (304,566)	\$ 1,691,548
Items not affecting cash		
Amortization	1,866,029	1,811,402
Earnings from investment in Nation business entities	(75,499)	(1,327,708)
	1,485,964	2,175,242
Change in non-cash operating working capital		
Accounts receivable	(483,473)	568,036
Inventory	(20,705)	(72,277)
Prepaid expenses	6,722	(49,961)
Accounts payable	576,886	(74,578)
Deferred revenue - unexpended funds - ISC	312,576	45,726
Deferred revenue - unexpended funds - non ISC	42,017	-
Deferred revenue	(1,734,754)	33,526
	185,233	2,625,714
<b>Capital activities</b>		
Purchase of capital assets	(3,059,327)	(4,049,907)
<b>Financing activities</b>		
Due to Hatchet Lake Development LP	224,968	69,938
Repayment of long term debt	(467,802)	(470,715)
Repayment of CMHC mortgages	(246,460)	(246,584)
Advances of CMHC mortgages	1,023,868	-
Short term financing	227,167	301,786
	761,741	(345,575)
<b>Investing activities</b>		
Contributions to Nation business partnerships	-	(150,000)
Withdrawals from Nation business partnerships	130,000	197,000
Restricted cash - CMHC	24,739	780,243
Trust funds held by federal government	(755)	(454)
	153,984	826,789
<b>Decrease in cash and cash equivalents</b>	(1,958,369)	(942,979)
<b>Cash and cash equivalents, beginning of year</b>	2,043,177	2,986,156
<b>Cash and cash equivalents, end of year</b>	\$ 84,808	\$ 2,043,177

The accompanying notes are an integral part of the financial statements

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**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, 2019*

**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, 2019.

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, 2019

**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.

Buildings	25 years Straight line
Housing	25 years Straight line
Infrastructure	40 years Straight line
Heavy Equipment	5-10 years Straight line
Equipment and furnishings	5 years Straight line
Computer equipment	2-5 years Straight line
Vehicles	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, 2019

**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, 2019*

**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.

	2019	2018
Unrestricted cash (Bank indebtedness)		
General operations	\$ (12,146)	\$ (160,444)
Social development	(290,687)	(156,701)
Health operations	35,818	31,409
	<hr/> (267,015)	<hr/> (285,736)
Restricted cash - capital projects		
School renovations	105,937	1,596,917
Subdivision	146,923	717,572
Impact Benefit Agreement (IBA) account	39	14,424
Lagoon upgrade	64,486	-
Propane system study	34,438	-
	<hr/> 351,823	<hr/> 2,328,913
Restricted cash - CMHC		
CMHC Replacement Reserve	95,308	120,047
Restricted cash - funds held in trust by the federal government		
Capital funds	87	87
Revenue funds	22,499	21,744
	<hr/> 22,586	<hr/> 21,831
	<hr/> \$ 202,702	<hr/> \$ 2,185,055

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**4. Trust funds held by federal government**

	2019	2018
Capital funds held in trust	\$ 87	\$ 87
Revenue funds held in trust	22,499	21,744
	<hr/>	<hr/>
	\$ 22,586	\$ 21,831
	<hr/>	<hr/>
	2019	2019
	Revenue	Capital
Surplus, beginning of year	\$ 21,744	\$ 87
Interest earnings	755	-
	<hr/>	<hr/>
Surplus, end of year	\$ 22,499	\$ 87
	<hr/>	<hr/>
	\$ 22,586	\$ 21,831
	<hr/>	<hr/>
	2019	2018
	Total	Total
Surplus, beginning of year	\$ 21,831	\$ 21,377
Interest earnings	755	454
	<hr/>	<hr/>
Surplus, end of year	\$ 21,831	\$ 21,831
	<hr/>	<hr/>

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**5. Accounts receivable**

	2019	2018
<b>Due from members</b>		
Loans and advances to members - band general	\$ 61,948	\$ 57,634
Loans and advances to members - health	10,906	1,021
Loans and advances to members - social development	274,923	159,232
<b>Total Due from members</b>	<b>347,777</b>	<b>217,887</b>
<b>Due from others</b>		
Prince Albert Grand Council	732,278	248,464
Social development - rent	40,260	5,755
Social development - wood hauling	58,016	-
Northern Lights School Division	212,069	338,164
NLCDC	35,106	58,057
Other receivables	18,044	10,714
<b>Total Due from others</b>	<b>1,095,773</b>	<b>661,154</b>
<b>Due from Government and other government organizations</b>		
Indigenous Services Canada	52,106	9,878
CMHC - subsidy	30,424	24,625
CMHC - mortgage funds	19,777	19,777
<b>Total Due from government and other government organizations</b>	<b>102,307</b>	<b>54,280</b>
<b>Less: allowance for doubtful accounts</b>	<b>1,545,857</b>	<b>933,321</b>
<b>Total Accounts Receivable</b>	<b>\$ 1,272,929</b>	<b>\$ 789,456</b>

**6. Accounts receivable - ISC**

	2019	2018
Band Employee Benefits - statutory	\$ 11,594	\$ 9,878
Institutional Care	40,512	-
<b>Total</b>	<b>\$ 52,106</b>	<b>\$ 9,878</b>

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**7. 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.

The Hatchet Lake Development LP (HLDLP) and the HLFN Economic Development Corp figures are from the March 31, 2018 financial statements. The 2019 audit is qualified based on the fact that the HLDLP financial statements have a material effect on the financial position of Hatchet Lake Denesuline Nation.

	2019	2018
HLFN Economic Development Corp - 100%	\$ 198,652	\$ 198,652
Waterfound Development Corp. - 33%	1,985	2,026
HLFN Development LP - 99.99%	32,319,781	32,319,781
Waterfound Development LP - 33%	1,117,474	1,171,934
	<hr/> \$ 33,637,892	<hr/> \$ 33,692,393

	Investment, start of year		Share of Withdrawals	earnings (loss)		Investment, end of year
HLFN Economic Development Corp	\$ 198,652	\$ -	\$ -	\$ 198,652		
Waterfound Development Corp.	2,026	-	(41)	1,985		
HLFN Development LP	32,319,781	-	-	32,319,781		
Waterfound Development LP	1,171,934	(130,000)	75,540	1,117,474		
	<hr/> \$ 33,692,393	<hr/> \$ (130,000)	<hr/> \$ 75,549	<hr/> \$ 33,637,892		

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**8. Investments in government business entities**

The Hatchet Lake Development LP (HLDLP) figures are from the March 31, 2018 financial statements. The 2019 audit is qualified based on the fact that the HLDLP financial statements have a material effect on the financial position of Hatchet Lake Denesuline Nation.

	Hatchet Lake Developments Mar 31, 2018	Waterfound Development LP Dec 31, 2018	Waterfound Development Corp Dec 31, 2018	2019 Total	2018 Total
Cash	\$ 618,616	\$ 12,347	\$ -	\$ 630,963	\$ 629,281
Marketable Securities	30,939	-	-	30,939	30,939
Accounts Receivable	1,255,874	-	(750)	1,255,124	1,256,024
Inventory	1,916,568	-	-	1,916,568	1,916,568
Prepaid expenses	34,098	-	-	34,098	34,098
Investments	25,889,935	3,346,510	7,056	29,243,501	29,408,109
Advances to related parties	360,399	-	-	360,399	360,399
Tangible capital assets	5,009,424	-	-	5,009,424	5,009,424
 Total assets	 \$ 35,115,853	 \$ 3,358,857	 \$ 6,306	 \$ 38,481,016	 \$ 38,644,842

Accounts payable and accruals	\$ 1,186,320	\$ 5,000	\$ 350	\$ 1,191,670	\$ 1,192,221
Deferred revenue	70,607	-	-	70,607	70,607
Current portion of long term debt	361,868	-	-	361,868	361,868
Term loans due on demand	961,441	-	-	961,441	961,441
Long-term debt	17,184	-	-	17,184	17,184
 Total liabilities	 2,597,420	 5,000	 350	 2,602,770	 2,603,321
 Equity	 32,518,433	 3,353,857	 5,956	 35,878,246	 36,041,521
 Total liabilities and equity	 \$ 35,115,853	 \$ 3,358,857	 \$ 6,306	 \$ 38,481,016	 \$ 38,644,842

	Hatchet Lake Developments Mar 31, 2018	Waterfound Development LP Dec 31, 2018	Waterfound Development Corp Dec 31, 2018	2019 Total	2018 Total
Revenue	\$ 5,904,695	\$ 235,165	\$ 227	\$ 6,140,087	\$ 6,357,085
Expenses	4,921,408	8,318	350	4,930,076	4,932,176
Net income	\$ 983,287	\$ 226,847	\$ (123)	\$ 1,210,011	\$ 1,424,909

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**9. Bank indebtedness**

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

The First Nation has operating lines of credit with the Canadian Imperial Bank of Commerce (CIBC) authorized to \$385,000 on four accounts of the First Nation at an interest rate of prime plus 1%. The operating lines are secured by a general security agreement on all property and Band Council Resolution directing all present and future funding to CIBC for deposit to the Nation's various accounts.

- Housing - \$50,000
- General - \$210,000
- Social - \$100,000
- Health - \$25,000

As of March 31, 2019 the First Nation had drawn on the lines of credit as follows:

**General account** - \$523,578 (2018 - \$306,288) and had issued cheques in excess of deposits totalling \$158,485 (2018 - \$189,807) for a combined reported amount of short term financing and bank indebtedness totalling \$682,063 (2018 - \$496,095).

**Social account** - \$105,375 (2018 - \$71,884) and had issued cheques in excess of deposits totalling \$290,687 (2018 - \$156,701) for a reported amount of short term financing and bank indebtedness totalling \$396,062 (2018 - \$228,585).

**Housing** - \$nil (2018 - \$23,614)

Any amounts overdrawn in excess of the approved lines of credit are charged interest at a rate of 21%.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**10. Accounts payable**

	2019	2018
<b>Due to members</b>		
Wages payable	\$ 231,644	\$ 150,868
<b>Due to others</b>		
Prince Albert Grand Council **	53,760	7,544
Trade payables	1,297,705	755,392
Accrued liabilities	79,950	70,500
Pension plan	82,800	40,772
Accrued interest	10,616	10,378
<b>Total Due to others</b>	<b>1,524,831</b>	<b>884,586</b>
<b>Due to government and other government organizations</b>		
Indigenous Services Canada	55,064	122,128
Canada Revenue Agency - payroll remittance	209,400	286,467
<b>Total Due to government and other government organizations</b>	<b>264,464</b>	<b>408,595</b>
	<b>\$ 2,020,939</b>	<b>\$ 1,444,049</b>

\*\* 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 \$163,998 on behalf of HLDN (2018 - \$187,815).

**11. Deferred revenue - unexpended funds - ISC**

	2019	2018
Service delivery	\$ 986	\$ 45,726
Basic needs	132,351	-
Special needs	18,551	-
Employment & training	2,523	-
Community involvement - navigator	36,330	-
Post secondary	67,797	-
Climate change adaptation	40,480	-
P&ID - DPMP financial management	59,284	-
	<b>\$ 358,302</b>	<b>\$ 45,726</b>

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**12. Unexpended funds - Health Canada**

	2019	2018
Prenatal	\$ 665	\$ -
Patient transportation	2,978	-
Building healthy communities	14,169	-
Jordan's Principle	24,205	-
	<hr/>	<hr/>
	\$ 42,017	\$ -
	<hr/>	<hr/>

**13. Deferred revenue**

	March 31, 2018	Funding received, 2019	Revenue recognized, 2019	March 31, 2019
<b>Federal government</b>				
ISC - Water Treatment Plant Upgrade	\$ 841,725	\$ -	\$ (670,649)	\$ 171,076
ISC - School repairs	1,257,325	-	(1,257,325)	-
ISC - Propane Study	82,914	-	(65,562)	17,352
ISC - Lagoon Upgrade	100,000	-	(35,514)	64,486
ISC - Solid Waste Feasibility	30,000	-	-	30,000
ISC - Solid Waste New Landfill	-	115,000	-	115,000
ISC - School assessment	-	100,000	-	100,000
	<hr/>	<hr/>	<hr/>	<hr/>
	2,311,964	215,000	(2,029,050)	497,914
<b>Other</b>				
Daycare	-	154,274	(129,874)	24,400
Head Start	-	180,627	(125,731)	54,896
	<hr/>	<hr/>	<hr/>	<hr/>
	-	334,901	(255,605)	79,296
<b>Total</b>	<b>\$ 2,311,964</b>	<b>\$ 549,901</b>	<b>\$ (2,284,655)</b>	<b>\$ 577,210</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**14. Due to Hatchet Lake Development LP**

During the year, the First Nation conducted purchases with related entities that are under the control of Hatchet Lake Denesuline Nation. All purchases were undertaken at normal market prices for similar goods and services and have been reported as expenses in the financial statements at the exchange amounts. The First Nation had amounts due to and from these related entities at March 31, 2019 and 2018 as follows (no terms for repayment, unsecured, and no interest charged on amounts owing or receivable):

	2019	2018
<u>Hatchet Lake Development Limited Partnership</u>	<u>\$ 453,725</u>	<u>\$ 228,757</u>

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**15. Long-term debt**

	2019	2018
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.	\$ 185,714	\$ 371,429
First Nations Bank of Canada Loan. Quarterly payments of \$18,750 with interest paid monthly, interest calculated at prime plus 1.00%, secured by general security agreement and assignment of dividends from Waterfound Development LP, due July 1, 2025.	487,500	564,588
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
CIBC Demand Installment Loan. Monthly payments of \$4,583 including interest calculated at prime plus 1.50%, secured by general security agreement over all Nation assets, due March 1, 2029.	<u>407,916</u>	<u>462,917</u>
<u>Current portion</u>	<u>1,081,130</u>	<u>1,548,934</u>
	<u>315,714</u>	<u>467,802</u>
	<u><u>\$ 765,416</u></u>	<u><u>\$ 1,081,132</u></u>

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

2020	\$ 315,714
2021	130,000
2022	130,000
2023	130,000
2024 and thereafter	<u>375,416</u>
	<u><u>\$ 1,081,130</u></u>

	2019	2018
Interest expense for the year on long-term debt	<u>\$ 66,579</u>	<u>\$ 67,718</u>

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**16. CMHC mortgages**

	Phase number	Renewal date	Interest rate	Monthly payment	2019	2018
CMHC	1	01-Apr-20	1.05%	\$ 1,544	\$ 90,188	\$ 107,667
CMHC	2	01-Feb-20	1.12%	319	20,705	24,279
CMHC	3	01-Feb-21	1.01%	1,413	111,876	127,612
CMHC	4	01-Mar-23	2.39%	1,435	137,086	150,868
CMHC	5	01-Dec-19	1.83%	6,203	726,132	786,728
CMHC	6	01-Feb-22	1.44%	3,368	476,138	509,453
CMHC	7	01-Jun-23	2.50%	3,636	523,061	553,799
CMHC	8	01-Apr-20	1.05%	2,218	393,739	416,099
CMHC	9	01-Oct-20	1.04%	2,761	361,415	390,628
CMHC	10	01-Jun-21	1.14%	2,006	376,931	396,598
CMHC	11	01-Dec-23	2.61%	5,527	1,023,868	-
					4,241,139	3,463,731
Current portion					287,426	246,129
					\$ 3,953,713	\$ 3,217,602

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**17. Tangible capital assets**

	Cost	Additions	Accumulated amortization	Net book value
Buildings	\$ 21,810,610	\$ 1,298,269	\$ 17,046,131	\$ 6,062,749
Housing	19,101,612	-	9,618,602	9,483,010
Infrastructure	4,597,577	-	2,054,028	2,543,549
Heavy Equipment	722,320	-	539,694	182,626
Equipment and furnishings	111,631	5,703	74,435	42,899
Computer equipment	173,709	51,026	155,418	69,317
Vehicles	1,126,981	-	1,046,432	80,549
Assets under construction	8,962,689	1,704,329	-	10,667,018
	<hr/> <u>\$ 56,607,129</u>	<hr/> <u>\$ 3,059,327</u>	<hr/> <u>\$ 30,534,740</u>	<hr/> <u>\$ 29,131,717</u>
				2018
	Cost	Additions	Accumulated amortization	Net book value
Buildings	\$ 21,603,048	\$ 207,562	\$ 16,121,898	\$ 5,688,713
Housing	18,238,158	863,454	8,967,927	10,133,685
Infrastructure	4,597,577	-	1,921,589	2,675,988
Heavy Equipment	722,320	-	493,468	228,852
Equipment and furnishings	68,975	42,656	58,393	53,238
Computer equipment	107,107	66,601	116,082	57,627
Vehicles	966,715	160,266	989,355	137,626
Assets under construction	6,253,322	2,709,367	-	8,962,689
	<hr/> <u>\$ 52,557,222</u>	<hr/> <u>\$ 4,049,906</u>	<hr/> <u>\$ 28,668,712</u>	<hr/> <u>\$ 27,938,418</u>

**18. Prepaid expenses**

	2019	2018
Insurance	\$ -	\$ 49,961
Post secondary living allowance	43,239	-
	<hr/> <u>\$ 43,239</u>	<hr/> <u>\$ 49,961</u>

**19. Inventory**

	2019	2018
Propane	\$ 294,887	\$ 274,182

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**20. Accumulated surplus**

	2019	2018
Restricted operating surplus		
Equity in Ottawa Trust Funds		
Balance beginning of year	\$ 21,830	\$ 21,376
Contributions	756	454
	<hr/> 22,586	<hr/> 21,830
Equity in CMHC reserves		
Balance beginning of year	661,261	566,411
Contributions	79,797	94,850
	<hr/> 741,058	<hr/> 661,261
Equity in tangible capital assets		
Balance beginning of year	23,075,757	20,269,953
Amortization	(1,866,029)	(1,811,401)
Purchases	3,059,327	4,049,906
Loan advances	(1,023,868)	-
Loan repayment	564,261	567,299
	<hr/> 23,809,448	<hr/> 23,075,757
Equity in business investments		
Balance beginning of year	33,692,393	32,411,678
Contributions	-	150,000
Share of earnings	75,499	1,327,715
Withdrawals	(130,000)	(197,000)
	<hr/> 33,637,892	<hr/> 33,692,393
Unrestricted Operating Surplus (Deficit)		
Balance, beginning of year	(1,966,725)	523,669
Current year surplus	(304,566)	1,691,546
Transfer to Ottawa Trust Funds	(756)	(454)
Transfer to CMHC reserves	(79,797)	(94,850)
Transfer to tangible capital assets	(733,691)	(2,805,804)
Transfer to business investments	54,501	(1,280,832)
	<hr/> (3,031,034)	<hr/> (1,966,725)
	<hr/> \$ 55,179,950	<hr/> \$ 55,484,516

# **Hatchet Lake Denesuline Nation**

## **Notes to Consolidated Financial Statements**

*March 31, 2019*

## 21. Indigenous Services Canada (ISC) reconciliation

	2019	2018
ISC revenue per agreement	\$ 12,228,265	\$ 15,694,445
Prior period revenue (recovery)		
Institutional Care	-	(972)
Economic Development	-	(9,495)
Basic needs	37,958	-
P&ID	(13,492)	-
Prior period payable (receivable)		
Basic needs	-	(88,288)
Band employee benefits	(9,878)	(37,763)
Current year receivable (payable)		
Basic needs - PAYE	-	(37,958)
Basic needs	-	(106,652)
Band employee benefits	11,594	9,878
Special Needs	-	(15,171)
Institutional Care	40,512	(1,197)
CORP	(41,572)	-
Service Delivery - PAYE	(1)	-
Water > 1.5 M	(1)	-
Reno/Additions < 1.5M	(1)	-
	<hr/>	<hr/>
	\$ 12,253,384	\$ 15,406,827

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**22. Government Transfers**

	2019		
	Operating	Capital	Total
<b>Federal government transfers</b>			
Indigenous Services Canada	\$ 11,329,590	\$ 923,794	\$ 12,253,384
Health Canada	368,582	-	368,582
Canada Mortgage and Housing Corporation	361,366	-	361,366
<b>Total</b>	<b>12,059,538</b>	<b>923,794</b>	<b>12,983,332</b>
<b>Provincial government transfers</b>			
<b>Total</b>	<b>\$ 12,059,538</b>	<b>\$ 923,794</b>	<b>\$ 12,983,332</b>
	2018		
	Operating	Capital	Total
<b>Federal government transfers</b>			
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
<b>Total</b>	<b>11,613,178</b>	<b>4,377,841</b>	<b>15,991,019</b>
<b>Provincial government transfers</b>			
<b>Total</b>	<b>\$ 11,613,178</b>	<b>\$ 4,377,841</b>	<b>\$ 15,991,019</b>

**23. CMHC Operating Agreement**

The CMHC funding agreements require that the First Nation set aside cash in specially funded reserve bank accounts. On March 31, 2019 the CMHC reserves required an amount of \$733,157 to be set aside; the reserves were underfunded by \$637,849 (2018 - \$533,365).

The CMHC operating agreement sets a minimum rent contribution for each unit. The First Nation is responsible for any shortfalls in rent; in 2019 the rent shortfall was \$77,505 (2018 - \$101,900).

**24. Subsequent events**

On April 25, 2019 the First Nation entered into a new credit facility agreement with CIBC. The terms and amounts of the authorized lines of credit remained the same (\$385,000 at prime + 1.0%) and added two new loans.

\$500,000 – debt restructure housing costs – prime + 1.0% - 20 quarterly payments of \$25,000 plus interest paid monthly.

\$1,550,000 - \$1,400,000 expansion of band hall and \$150,000 for lot servicing - prime + 1.0% - 9 annual payments of \$172,222 plus interest paid monthly.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**25. 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, 2019 is \$18,766,210 (2018 - \$18,766,210). 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:

<b>Year</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net Assets</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Surplus/(Deficit)</b>
March 2019	470,652	259,668	210,984	2,123,023	1,950,771	172,252
March 2018	240,918	204,163	36,755	1,559,838	2,006,325	(446,487)

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, 2019

**26. 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, 2019.

**27. 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.

**28. Budgeted figures**

Budget figures were not available and the audit has been qualified as ratified budget figures are a requirement.

**29. 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.

**30. 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, 2019*

**31. Expenses by object**

		2019 Budget	2019 Actual	2018 Actual
Administration	\$ -	\$ 295,622	\$ 943,133	
Amortization	-	1,866,028	1,811,403	
Assistance to band members	-	398,865	152,679	
Bad debts	-	82,268	22,409	
Bank charges and interest	-	39,738	22,591	
Community events	-	217,277	200,895	
Consultants and contractors	-	3,361,445	3,136,455	
Cultural programs	-	66,426	115,246	
Economic - landfill management	-	54,500	54,500	
Election	-	54,251	2,400	
Honorariums	-	42,211	28,398	
Insurance	-	155,732	157,009	
Interest on long-term debt	-	139,897	122,769	
NCBR program expenses	-	282,910	389,441	
Office equipment lease	-	47,660	85,501	
Office supplies	-	36,370	56,170	
PAGC paid expenses directly	-	163,998	-	
Post Secondary - administration	-	68,129	64,784	
Post Secondary - entrance preparation	-	76,213	114,647	
Post Secondary - student expenses	-	517,115	550,858	
Postage and freight	-	71,015	301,447	
Professional fees	-	80,042	52,213	
Program expenses	-	30,279	80,634	
Rent - office	-	1,350	-	
Repairs and maintenance	-	364,309	1,142,922	
Social assistance - basic needs	-	3,094,961	2,810,327	
Social assistance - special needs	-	202,212	273,028	
Student expenses	-	66,266	162,349	
Supplies	-	1,212,995	1,300,295	
Telephone	-	56,827	81,662	
Training & workshops	-	107,065	32,604	
Travel, meetings, per diems	-	875,218	888,464	
Tuition	-	-	22,210	
Utilities	-	733,823	817,369	
Vehicles	-	334,938	267,129	
Wages and benefits	-	8,220,961	9,741,713	
Youth programs	-	47,955	43,362	
Transfer to capital assets	-	(3,059,327)	(3,909,332)	
	\$ -	\$ 20,407,544	\$ 22,139,684	

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2019

## **32. 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, 2019

**32. 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.

**Registration & Membership:**

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
Prince Albert Grand Council	\$ -	\$ 15,756	\$ -
Other revenue	- -	15,100	5,000
	- -	30,856	5,000
<b>Expenses</b>			
Honorariums	- -	- -	600
Supplies	- -	7,518	- -
Travel, meetings, per diems	- -	14,140	4,300
Vehicles	- -	1,237	- -
Wages and benefits	- -	29,753	- -
	- -	52,648	4,900
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (21,792)</b>	<b>\$ 100</b>

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
Indigenous Services Canada - fixed	\$ -	\$ 490,944	\$ 572,163
Indigenous Services Canada - flexible	- -	923,792	4,396,427
Prince Albert Grand Council	- -	-	34,028
User fees	- -	10,291	5,624
Other revenue	- -	11,929	266,612
Unexpended funds transferred - prior year	- -	-	10,821
Deferred revenue - prior period	- -	2,311,964	1,579,005
Deferred revenue - current period	- -	(497,914)	(2,311,964)
	- -	3,251,006	4,552,716
<b>Expenses</b>			
Administration	- -	-	48,764
Bank charges and interest	- -	-	308
Consultants and contractors	- -	3,104,080	2,843,798
Economic - landfill management	- -	54,500	54,500
Insurance	- -	89,331	85,239
Interest on long-term debt	- -	-	11,927
Office equipment lease	- -	-	242
Postage and freight	- -	29,005	16,494
Professional fees	- -	5,500	5,666
Repairs and maintenance	- -	261,270	733,107
Supplies	- -	151,241	74,119
Telephone	- -	13,624	13,656
Training & workshops	- -	-	4,374
Travel, meetings, per diems	- -	66,079	75,358
Utilities	- -	260,641	290,432
Vehicles	- -	37,975	26,537
Wages and benefits	- -	547,380	709,511
Transfer to capital assets	- -	(3,002,598)	(3,690,165)
	- -	1,618,028	1,303,867
<b>Current surplus before transfers</b>	- -	1,632,978	3,248,849
<b>Transfers</b>			
Transfer - Amortization	- -	(704,581)	(713,522)
<b>Current surplus</b>	\$ -	\$ 928,397	\$ 2,535,327

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
Indigenous Services Canada - fixed	\$ -	\$ 139,702	\$ -
ISC - prior period revenue (recovery)	- -	- -	(9,495) -
ISC - current year receivable (payable)	- -	(41,572) -	- -
	- -	98,130 -	(9,495) -
<b>Expenses</b>			
Consultants and contractors	- -	53,650 -	- -
Travel, meetings, per diems	- -	4,000 -	- -
	- -	57,650 -	- -
<b>Current surplus (deficit) before unexpended transfers</b>	- -	40,480 -	(9,495) -
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	- -	(40,480) -	- -
<b>Current deficit</b>	\$ - -	\$ - -	\$ (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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
Indigenous Services Canada - fixed	\$ -	\$ 5,075,042	\$ 5,468,697
Prince Albert Grand Council	-	1,793,804	1,847,247
Northern Sport Culture & Recreation District	-	42,354	45,118
Unexpended funds transferred - prior year	-	-	949,525
	-	6,911,200	8,310,587
<b>Expenses</b>			
Administration	-	43,724	644,568
Consultants and contractors	-	72,866	114,312
Cultural programs	-	66,426	115,246
Honorariums	-	29,800	19,100
Office equipment lease	-	25,104	65,577
Office supplies	-	3,681	1,240
Post Secondary - administration	-	68,129	64,784
Post Secondary - entrance preparation	-	76,213	114,647
Post Secondary - student expenses	-	517,115	550,858
Postage and freight	-	12,586	50,094
Repairs and maintenance	-	70,606	34,290
Student expenses	-	66,266	112,429
Supplies	-	489,373	605,514
Telephone	-	15,308	16,972
Training & workshops	-	16,208	6,280
Travel, meetings, per diems	-	175,425	153,415
Utilities	-	428,807	463,644
Vehicles	-	101,799	112,465
Wages and benefits	-	5,020,525	5,342,820
Youth programs	-	33,081	8,120
Transfer to capital assets	-	(56,729)	(61,708)
	-	7,276,313	8,534,667
<b>Current deficit before unexpended transfers</b>	-	(365,113)	(224,080)
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(67,797)	-
<b>Current deficit before transfers</b>	-	(432,910)	(224,080)
<b>Transfers</b>			
Transfer - Amortization	-	(1,016,556)	(950,707)
<b>Current deficit</b>	\$ -	\$ (1,449,466)	\$ (1,174,787)

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
Indigenous Services Canada - grant	\$ -	\$ 1,102,503	\$ 1,122,723
Indigenous Services Canada - fixed	- -	102,328	81,330
Indigenous Services Canada - set	- -	220,705	210,827
ISC - current year receivable (payable)	- -	11,594	9,878
	<hr/>	<hr/>	<hr/>
	- -	1,437,130	1,424,758
<b>Expenses</b>			
Administration	- -	85,797	91,022
Bank charges and interest	- -	29,779	18,877
Community events	- -	24,287	13,424
Consultants and contractors	- -	- -	162,746
Election	- -	54,251	2,400
Honorariums	- -	12,411	4,748
Interest on long-term debt	- -	66,579	55,791
Office equipment lease	- -	22,556	19,682
Office supplies	- -	21,253	54,930
Postage and freight	- -	12,318	39,944
Professional fees	- -	64,592	43,883
Supplies	- -	70,437	55,372
Telephone	- -	20,275	33,852
Travel, meetings, per diems	- -	463,401	359,029
Vehicles	- -	11,230	25,607
Wages and benefits	- -	1,161,075	1,148,905
Transfer to capital assets	- -	- -	(46,793)
	<hr/>	<hr/>	<hr/>
	- -	2,120,241	2,083,419
<b>Current deficit before transfers</b>	- -	(683,111)	(658,661)
<b>Transfers</b>			
Transfer - Other Band Programs	- -	627,722	596,745
Transfer - Amortization	- -	(95,157)	(97,441)
<b>Current deficit</b>	<hr/>	<hr/>	<hr/>
	\$ -	\$ (150,546)	\$ (159,357)

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
Indigenous Services Canada - fixed	\$ -	\$ 208,723	\$ 158,352
Indigenous Services Canada - set	- -	96,160	40,268
Indigenous Services Canada - flexible	- -	3,578,837	3,451,743
ISC - prior period revenue (recovery)	- -	37,958	(972)
ISC - current year receivable (payable)	- -	40,512	(122,128)
Unexpended funds transferred - prior year	- -	45,726	95,471
	- -	4,007,916	3,622,734
<b>Expenses</b>			
Administration	- -	17,666	23,066
Assistance to band members	- -	136,672	-
Bank charges and interest	- -	3,791	-
Consultants and contractors	- -	6,600	10,000
NCBR program expenses	- -	282,910	389,441
Office supplies	- -	10,350	-
Postage and freight	- -	10,119	11,592
Rent - office	- -	1,350	-
Social assistance - basic needs	- -	3,094,961	2,810,327
Social assistance - special needs	- -	202,212	273,028
Supplies	- -	10,266	11,786
Telephone	- -	2,414	5,228
Training & workshops	- -	4,500	-
Travel, meetings, per diems	- -	35,615	16,759
Utilities	- -	25,623	25,244
Vehicles	- -	153	31
Wages and benefits	- -	197,320	178,144
	- -	4,042,522	3,754,646
<b>Current deficit before unexpended transfers</b>	- -	(34,606)	(131,912)
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	- -	(154,411)	(45,726)
<b>Current deficit</b>	\$ -	\$ (189,017)	\$ (177,638)

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
Indigenous Services Canada - fixed	\$ -	\$ 13,815	\$ 13,522
<b>Expenses</b>			
Wages and benefits	-	13,815	32,549
<b>Current deficit</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (19,027)</b>

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
Indigenous Services Canada - fixed	\$ -	\$ 20,000	\$ 13,492
Indigenous Services Canada - flexible	- -	245,833	-
ISC - prior period revenue (recovery)	- -	(13,492)	-
	- -	252,341	13,492
<b>Expenses</b>			
Administration	- -	4,250	-
Consultants and contractors	- -	105,499	5,600
Supplies	- -	20,000	-
Training & workshops	- -	28,868	-
Travel, meetings, per diems	- -	9,682	11,698
Wages and benefits	- -	1,920	-
	- -	170,219	17,298
<b>Current surplus (deficit) before unexpended transfers</b>	- -	82,122	(3,806)
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	- -	(95,614)	-
<b>Current deficit</b>	<b>\$ -</b>	<b>\$ (13,492)</b>	<b>\$ (3,806)</b>

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
Health Canada	\$ -	\$ 368,582	\$ 271,517
Prince Albert Grand Council	- -	774,535	615,223
Other revenue	- -	7,822	7,381
Deferred revenue - current period	- -	(79,296)	-
	- -	1,071,643	894,121
<b>Expenses</b>			
Administration	- -	102,299	87,674
Bank charges and interest	- -	3,833	3,406
Office supplies	- -	1,086	-
Postage and freight	- -	4,236	1,890
Program expenses	- -	20,673	22,867
Supplies	- -	95,581	87,953
Telephone	- -	2,567	10,634
Training & workshops	- -	57,488	21,950
Travel, meetings, per diems	- -	72,109	85,458
Utilities	- -	4,218	7,945
Vehicles	- -	50,118	650
Wages and benefits	- -	609,245	593,526
Youth programs	- -	14,874	-
	- -	1,038,327	923,953
<b>Current surplus (deficit) before unexpended transfers</b>	- -	33,316	(29,832)
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	- -	(42,017)	-
<b>Current deficit</b>	\$ -	\$ (8,701)	\$ (29,832)

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
CMHC - subsidy	\$ -	\$ 334,273	\$ 294,930
CMHC - HIIFNIIY	- -	27,093	17,745
Rental revenue	- -	111,543	135,945
	- -	472,909	448,620
<b>Expenses</b>			
Administration	- -	41,886	42,420
Bank charges and interest	- -	2,335	-
Insurance	- -	66,401	71,770
Interest on long-term debt	- -	73,317	55,051
Professional fees	- -	9,950	2,665
Repairs and maintenance	- -	32,432	25,920
	- -	226,321	197,826
<b>Current surplus</b>	<b>\$ -</b>	<b>\$ 246,588</b>	<b>\$ 250,794</b>

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
Prince Albert Grand Council	\$ -	\$ 206,468	\$ 125,567
First Nations Trust	-	578,071	589,632
Northern Lights School Division	-	356,997	338,164
NLCDC	-	145,425	147,257
Equity pickup (losses) - related business entities	-	75,499	1,412,715
Impact Benefit Agreement	-	454,802	530,675
Rental revenue	-	74,600	69,120
Athabasca Denesuline Child & Family Services Inc.	-	175,000	-
Hatchet Lake Store	-	123,413	-
Other revenue	-	470,451	763,413
Administration fees - internal allocation	-	295,622	980,740
Deferred revenue - prior period	-	-	699,433
	-	2,956,348	5,656,716
<b>Expenses</b>			
Administration	-	-	5,620
Assistance to band members	-	262,193	152,679
Bad debts	-	82,268	22,409
Canoe Quest	-	450	30,800
Community development	-	-	10,000
Community events	-	192,990	187,471
Consultants and contractors	-	18,750	-
Cultural enrichment	-	9,156	2,150
Honorariums	-	-	3,950
Life skills	-	-	14,817
Postage and freight	-	2,752	181,433
Repairs and maintenance	-	-	349,604
Student expenses	-	-	49,920
Supplies	-	368,581	465,546
Telephone	-	2,639	1,319
Travel, meetings, per diems	-	34,767	182,447
Tuition	-	-	22,210
Utilities	-	14,533	30,104
Vehicles	-	132,425	101,839
Wages and benefits	-	639,929	1,736,258
Youth programs	-	-	35,242
PAGC paid expenses directly	-	163,998	-
Transfer to capital assets	-	-	(110,666)
	-	1,925,431	3,475,152
<b>Current surplus before unexpended transfers</b>	<b>-</b>	<b>1,030,917</b>	<b>2,181,564</b>

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Unexpended transfers</b>			
Prior period unrecorded unexpended funds	-	-	(1,055,817)
<b>Current surplus before transfers</b>			
	-	1,030,917	1,125,747
<b>Transfers</b>			
Transfer - Indian Government Support	-	(627,722)	(596,745)
Transfer - Amortization	-	(49,734)	(49,733)
<b>Current surplus</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	-	353,461	479,269

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, 2019*

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>	\$ -	\$ -	\$ -
<b>Expenses</b>			
Community Infrastructure	-	704,581	713,522
Education	-	1,016,556	950,708
Indian Government Support	-	95,157	97,439
Other Band Programs	-	49,734	49,734
	-	1,866,028	1,811,403
<b>Current deficit before transfers</b>	-	(1,866,028)	(1,811,403)
<b>Transfers</b>			
Transfer - Programs	-	1,866,028	1,811,403
<b>Current surplus</b>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements