

**Little Black Bear First Nation  
Consolidated Financial Statements  
March 31, 2019**

**Little Black Bear First Nation**  
**Consolidated Financial Statements**  
*March 31, 2019*

|   | <i>Page</i>  |
|---|--------------|
| <b>Management's Responsibility for Financial Reporting.....</b> | <b>1</b>     |
| <b>Independent Auditors' Report.....</b>                        | <b>2 - 3</b> |
| <br><b>Financial Statements</b>                                 |              |
| Consolidated Statement of Financial Position.....               | 4            |
| Consolidated Statement of Operations.....                       | 5 - 6        |
| Consolidated Statement of Accumulated Surplus.....              | 7            |
| Consolidated Statement of Change in Net Debt.....               | 8            |
| Consolidated Statement of Cash Flows.....                       | 9            |
| Notes to Consolidated Financial Statements.....                 | 10 - 28      |
| <br><b>Program schedules</b>                                    |              |
| Community Development - Schedule #1.....                        | 29           |
| Economic Development - Schedule #2.....                         | 30           |
| Education - Schedule #3.....                                    | 31           |
| Indian Government Support - Schedule #4.....                    | 32           |
| Lands Management - Schedule #5.....                             | 34           |
| Social Development - Schedule #6.....                           | 35           |
| Indian Registration - Schedule #7.....                          | 36           |
| Community Health - Schedule #8.....                             | 37           |
| CMHC - Schedule #9.....   | 38           |
| Other Programs - Schedule #10.....                              | 39           |
| Amortization - Schedule #11.....                                | 40           |

**Little Black Bear First Nation**  
**Management's Responsibility for Financial Reporting**  
*March 31, 2019*

To the Members of Little Black Bear First Nation:

The accompanying consolidated financial statements of Little Black Bear First 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 Little Black Bear First Nation:

---

Little Black Bear First Nation

---

Date



## Chalupiak & Associates CPA Professional Corporation

Chartered Professional Accountants  
3261 Saskatchewan Drive  
Regina, Saskatchewan S4T 6S4  
Phone: 306-359-3711 Fax: 306-569-3030

---

## Independent Auditors' Report

To the Members of  
**Little Black Bear First Nation**

### ***Opinion***

We have audited the consolidated financial statements of Little Black Bear First 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 debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations, its changes in its consolidated net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *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 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.

**Regina, Saskatchewan**  
**December 3, 2019**

*Chalupick & Associates*  
**Chartered Professional Accountants**

**Little Black Bear First Nation**  
**Consolidated Statement of Financial Position**  
*March 31, 2019*

|  | 2019               | 2018               |
|--|--------------------|--------------------|
| <b>Financial Assets</b>  |                    |                    |
| Restricted cash - CMHC reserves (Note 3)                           | \$ 3,227           | \$ 24,835          |
| Restricted cash - capital projects (Note 3)                        | 8,006              | 8,178              |
| Trust funds held by federal government (Notes 3 and 4)             | 52,850             | 2,340              |
| Accounts receivable (Notes 5 and 6)                                | 621,882            | 39,414             |
| Due from related parties (Note 7)                                  | 730,571            | 683,118            |
| Portfolio investment (Note 8)                                      | 60,000             | 60,000             |
|  | <hr/> 1,476,536    | <hr/> 817,885      |
| <b>Liabilities</b>   |                    |                    |
| Bank indebtedness (Notes 3 and 9)                                  | 541,926            | 566,077            |
| Accounts payable (Note 10)   | 982,651            | 837,193            |
| Deferred revenue - unexpended funds (Note 11)                      | 90,525             | -                  |
| Deferred revenue (Note 12)   | 140,356            | 98,300             |
| Reserve for losses in gov't business enterprises (Notes 13 and 14) | 652,699            | 210,010            |
| Current portion of long-term debt (Note 15)                        | 332,176            | 312,845            |
| Current portion CMHC mortgages (Note 16)                           | 16,860             | 24,211             |
| Long-term debt (Note 15)   | 2,423,596          | 1,922,902          |
| CMHC mortgages (Note 16)   | 103,643            | 120,366            |
|  | <hr/> 5,284,432    | <hr/> 4,091,904    |
| <b>Net debt</b>  | <hr/> (3,807,896)  | <hr/> (3,274,019)  |
| <b>Non-financial Assets</b>  |                    |                    |
| Capital assets (Note 17)   | 5,062,746          | 4,497,206          |
| Prepaid expenses (Note 18)   | 8,879              | 8,879              |
|  | <hr/> 5,071,625    | <hr/> 4,506,085    |
| <b>Accumulated Surplus</b> (Note 19)                               | <hr/> \$ 1,263,729 | <hr/> \$ 1,232,066 |

**Approved on behalf of the Little Black Bear First Nation:**

Signature on file

Signature on file

The accompanying notes are an integral part of the financial statements

**Little Black Bear First Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2019*

|  | 2019<br>Budget   | 2019<br>Actual   | 2018<br>Actual   |
|--|------------------|------------------|------------------|
| <b>Revenue</b>                                     |                  |                  |                  |
| Indigenous Services Canada - grant contribution    | \$ 228,660       | \$ 304,638       | \$ 306,780       |
| Indigenous Services Canada - fixed contribution    | 829,150          | 847,084          | 779,148          |
| Indigenous Services Canada - set contribution      | 9,853            | 11,608           | 97,633           |
| Indigenous Services Canada - flexible contribution | 752,053          | 737,053          | 534,765          |
| ISC - current year receivable (payable)            | -                | 2,592            | 660              |
| Trust funds held by federal government             | -                | 50,510           | 55,256           |
| Health Canada                                      | 409,834          | 413,862          | 9,512            |
| File Hills Health                                  | -                | -                | 188,525          |
| CMHC - subsidy                                     | 63,145           | 16,081           | 28,875           |
| CMHC - RRAP  | -                | -                | 6,333            |
| Living Sky Community Development Corporation       | 20,000           | 26,198           | 31,932           |
| FHQ Tribal Council                                 | 127,089          | 209,152          | 127,485          |
| Yorkton Tribal Council Child and Family Services   | -                | 607,629          | -                |
| First Nations Trust                                | 200,000          | 195,965          | 199,627          |
| Land leases (flowed through Wakayos Holdings Inc.) | -                | 172,785          | 163,247          |
| Gains (losses) in related business entities        | -                | (442,689)        | (333,432)        |
| LBB Coffee Franchise LP - drawings                 | -                | 149,900          | 60,000           |
| Keseechiwan Holdings LP dividend                   | 60,000           | 60,000           | 60,000           |
| CMHC - rental income                               | 57,300           | -                | 18,920           |
| LBB Gas Bar & Convenience LP - drawings            | 600,000          | 635,000          | 750,000          |
| CMHC - special replacement reserve contribution    | -                | 134,913          | -                |
| Loan proceeds                                      | 500,000          | -                | -                |
| Other revenue                                      | 468,659          | 164,786          | 200,636          |
| Administration fees - internal allocation          | 86,740           | 82,494           | 80,590           |
| Unexpended funds transferred - prior year          | -                | -                | 20,675           |
| Deferred revenue - prior year                      | 80,000           | 98,300           | 249,918          |
| Deferred revenue - current year                    | -                | (140,356)        | (98,300)         |
|  | <b>4,492,483</b> | <b>4,337,505</b> | <b>3,538,785</b> |
| <b>Expenses</b>                                    |                  |                  |                  |
| Community Development (Schedule 1)                 | 1,341,059        | 585,509          | 513,371          |
| Economic Development (Schedule 2)                  | 284,589          | 458,269          | 253,407          |
| Education (Schedule 3)                             | 460,552          | 437,096          | 387,398          |
| Indian Government Support (Schedule 4)             | 851,941          | 891,054          | 920,060          |
| Lands Management (Schedule 5)                      | 111,991          | 200,446          | 149,997          |
| Social Development (Schedule 6)                    | 401,445          | 423,701          | 438,355          |
| Indian Registration (Schedule 7)                   | 11,400           | 13,095           | 10,801           |
| Community Health (Schedule 8)                      | 296,462          | 317,815          | 286,060          |
| CMHC (Schedule 9)                                  | 120,445          | 231,253          | 121,557          |
| Other Programs (Schedule 10)                       | 323,800          | 513,733          | 1,082,491        |
| Amortization (Schedule 11)                         | -                | 143,348          | 175,735          |
|  | <b>4,203,684</b> | <b>4,215,319</b> | <b>4,339,232</b> |

The accompanying notes are an integral part of the financial statements

**Little Black Bear First Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2019*

|   | 2019<br>Budget    | 2019<br>Actual   | 2018<br>Actual      |
|---|-------------------|------------------|---------------------|
| <b>Current surplus (deficit) before other items</b> | 288,799           | 122,186          | (800,443)           |
| <b>Other items</b>                                  |                   |                  |                     |
| Unexpended funds transferred to deferred revenue    | -                 | (90,525)         | -                   |
| <b>Current surplus (deficit)</b>                    | <b>\$ 288,799</b> | <b>\$ 31,661</b> | <b>\$ (800,443)</b> |

The accompanying notes are an integral part of the financial statements

**Little Black Bear First Nation**  
**Consolidated Statement of Accumulated Surplus**  
*For the year ended March 31, 2019*

|                                     | 2019                | 2018                |
|-------------------------------------|---------------------|---------------------|
| <b>Surplus at beginning of year</b> | \$ 1,232,066        | \$ 2,032,509        |
| <b>Current surplus (deficit)</b>    | 31,661              | (800,443)           |
| <b>Surplus at end of year</b>       | <b>\$ 1,263,727</b> | <b>\$ 1,232,066</b> |

---

The accompanying notes are an integral part of the financial statements

**Little Black Bear First Nation**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended March 31, 2019*

|   | 2019<br>Budget        | 2019<br>Actual        | 2018<br>Actual        |
|---|-----------------------|-----------------------|-----------------------|
| <b><u>Current surplus (deficit)</u></b>     | <b>\$ 288,799</b>     | <b>\$ 31,661</b>      | <b>\$ (800,443)</b>   |
| Acquisition of tangible capital assets      | -                     | (708,886)             | (625,584)             |
| Amortization of tangible capital assets     | -                     | 143,348               | 175,735               |
|   | -                     | (565,538)             | (449,849)             |
| Acquisition of prepaid asset                | (8,879)               | (8,879)               | (8,879)               |
| Use of prepaid asset                        | 8,879                 | 8,879                 | -                     |
|   | -                     | -                     | (8,879)               |
| Increase (decrease) in net financial assets | 288,799               | (533,877)             | (1,259,171)           |
| Net debt at beginning of year               | (3,274,019)           | (3,274,019)           | (2,014,848)           |
| <b><u>Net debt at end of year</u></b>       | <b>\$ (2,985,220)</b> | <b>\$ (3,807,896)</b> | <b>\$ (3,274,019)</b> |

The accompanying notes are an integral part of the financial statements

**Little Black Bear First 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)                                 | \$ 31,661    | \$ (800,443) |
| Items not affecting cash                                  |              |              |
| Amortization  | 143,348      | 175,735      |
|   | 175,009      | (624,708)    |
| Change in non-cash operating working capital              |              |              |
| Accounts receivable                                       | (582,468)    | 167,611      |
| Prepaid expenses  | -            | (8,879)      |
| Accounts payable  | 145,459      | 12,781       |
| Deferred revenue  | 42,056       | (151,618)    |
| Deferred revenue - unexpended funds                       | 90,525       | (20,675)     |
| Due from related parties                                  | (47,453)     | 2,871        |
|   | (176,872)    | (622,617)    |
| <b>Capital activities</b>                                 |              |              |
| Purchase of capital assets                                | (708,887)    | (625,584)    |
| <b>Financing activities</b>                               |              |              |
| Due to related parties                                    | -            | (65,000)     |
| CMHC mortgages  | (24,074)     | (75,976)     |
| Repayment of long term debt                               | (240,755)    | (1,495,553)  |
| Proceeds from long term debt                              | 760,780      | 2,300,000    |
|   | 495,951      | 663,471      |
| <b>Investing activities</b>                               |              |              |
| Restricted funds (CMHC reserves)                          | 21,608       | (19,563)     |
| Restricted funds - trust funds held by federal government | (50,510)     | 4,744        |
| Investments in related entities                           | (337,311)    | (476,568)    |
| Withdrawals from business partnerships                    | 780,000      | 810,000      |
|   | 413,787      | 318,613      |
| <b>Increase (decrease) in cash and cash equivalents</b>   | 23,979       | (266,117)    |
| <b>Cash and cash equivalents, beginning of year</b>       | (557,899)    | (291,782)    |
| <b>Cash and cash equivalents, end of year</b>             | \$ (533,920) | \$ (557,899) |
| <b>Represented by</b>                                     |              |              |
| Cash  | \$ (541,926) | \$ (566,077) |
| Restricted cash - capital projects                        | 8,006        | 8,178        |
|   | \$ (533,920) | \$ (557,899) |

The accompanying notes are an integral part of the financial statements

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**1. General**

Little Black Bear First Nation is a First Nation Band subject to the provisions of the Indian Act. These financial statements include Little Black Bear First Nation government and all related entities which are accountable to the First 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.

**(a) Reporting entity**

Little Black Bear First Nation reporting entity includes the Little Black Bear First 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 Little Black Bear First 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 Little Black Bear First Nation.

Organizations accounted for on a modified equity basis include:

Wakayos Holdings Ltd.

Wakayos Holdings LP

LBB Orchards LBB and LBB Orchards Ltd.

LBB Gas Bar & Convenience LP and LBB Gas & Convenience Ltd.

LBB Coffee Franchise LP and LBB Coffee Franchise Inc.

**(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.

**(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.

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**2. Basis of presentation and significant accounting policies, continued**

**(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. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**(f) Liability for contaminated sites**

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.

**(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 Little Black Bear First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives.

|                       |                           |
|-----------------------|---------------------------|
| Buildings             | 20 years Straight line    |
| Automotive equipment  | 4 years Straight line     |
| Machinery & equipment | 5-15 years Straight line  |
| Roads                 | 40 years Straight line    |
| Office equipment      | 3-4 years Straight line   |
| Band houses           | 25 years Straight line    |
| CMHC houses           | 25 years Straight line    |
| Infrastructure        | 10-15 years Straight line |

Tangible capital assets are written down when conditions indicate that they no longer contribute to Little Black Bear First 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.

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**2. Basis of presentation and significant accounting policies, continued**

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) Portfolio investments**

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

**(i) 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.

**(j) 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.

**(k) 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.

**(l) Internal charges and transfers**

The 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."

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**2. Basis of presentation and significant accounting policies, continued**

**(m) 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 is performed is deferred and recognized when the fee is earned or service performed.

**(n) Expense recognition**

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

**(o) Comparative figures**

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

**Little Black Bear First 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, Little Black Bear First 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 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  |                       |                       |
| General operations                                       | \$ (550,657)          | \$ (587,243)          |
| CMHC operating   | 5,488                 | 42,074                |
| Social development                                       | 3,243                 | (20,908)              |
|  | <hr/><br>(541,926)    | <hr/><br>(566,077)    |
| Restricted cash (CMHC reserves)                          |                       |                       |
| PHT - CMHC Replacement Reserve                           | 2,874                 | 24,482                |
| CIBC - CMHC reserve bank account                         | 353                   | 353                   |
|  | <hr/><br>3,227        | <hr/><br>24,835       |
| Restricted cash - capital projects                       |                       |                       |
| PHT - major capital project                              | 8,006                 | 8,178                 |
| Restricted cash - trust funds held by federal government |                       |                       |
| Revenue account  | 52,620                | 2,110                 |
| Capital account  | 230                   | 230                   |
|  | <hr/><br>52,850       | <hr/><br>2,340        |
|  | <hr/><br>\$ (477,843) | <hr/><br>\$ (530,724) |

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

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

|                            | 2019<br>Revenue | 2019<br>Capital | 2019<br>Total | 2018<br>Total |
|----------------------------|-----------------|-----------------|---------------|---------------|
| Surplus, beginning of year | \$ 2,109        | \$ 230          | \$ 2,339      | \$ 7,084      |
| Withdrawals                | -               | -               | -             | (60,000)      |
| Interest earnings          | 511             | -               | 511           | 256           |
| <u>Lease revenue</u>       | <u>50,000</u>   | <u>-</u>        | <u>50,000</u> | <u>55,000</u> |
| <br>Surplus, end of year   | <br>\$ 52,620   | <br>\$ 230      | <br>\$ 52,850 | <br>\$ 2,340  |

**5. Accounts receivable**

|   | 2019           | 2018          |
|---|----------------|---------------|
| <b>Due from members</b>   |                |               |
| Advances/Rent Receivable  | \$ 48,869      | \$ 293,586    |
| <br><b>Due from others</b>  |                |               |
| FHQ Tribal Council  | 1,208          | 12,996        |
| YTC Child & Family Services Inc.                                  | 607,629        | -             |
| Other   | 8,558          | 17,100        |
|   | <br>617,395    | <br>30,096    |
| <br><b>Due from government and other government organizations</b> |                |               |
| Indigenous Services Canada (ISC)                                  | 2,592          | 660           |
| CMHC  | 1,028          | 3,021         |
|   | <br>3,620      | <br>3,681     |
|   | <br>669,884    | <br>327,363   |
| Allowance for doubtful accounts                                   | (48,002)       | (287,949)     |
| <br>Total accounts receivable                                     | <br>\$ 621,882 | <br>\$ 39,414 |

**6. Accounts receivable - ISC**

|                        | 2019         | 2018       |
|------------------------|--------------|------------|
| Band Employee Benefits | \$ 2,592     | \$ 660     |
|                        | <br>\$ 2,592 | <br>\$ 660 |

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**7. Due from related parties**

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

Amounts due from (to) related parties are unsecured, non-interest bearing and have no fixed repayment schedules.

|                                | 2019                    | 2018                    |
|--------------------------------|-------------------------|-------------------------|
| Wakayos Developments LP        | \$ 79,293               | \$ 39,293               |
| Wakayos Holdings Inc.          | 392,349                 | 384,896                 |
| LBB Orchards LP                | 233,929                 | 233,929                 |
| <u>LBB Coffee Franchise LP</u> | <u>25,000</u>           | <u>25,000</u>           |
|                                | <hr/> <u>\$ 730,571</u> | <hr/> <u>\$ 683,118</u> |

**8. Portfolio investments**

|                                | 2019             | 2018             |
|--------------------------------|------------------|------------------|
| <u>Keseechiwan Holdings LP</u> | <u>\$ 60,000</u> | <u>\$ 60,000</u> |

**9. Bank indebtedness**

An overdraft limit has been authorized by PHT to a maximum of \$600,000 and bears interest at bank's prime lending rate plus 3% per annum and an overdraft interest rate of 24%. Secured by a general security agreement.

**10. Accounts payable**

|   | 2019              | 2018              |
|---|-------------------|-------------------|
| <b>Due to others</b>  |                   |                   |
| Trade payables & accrued liabilities                        | \$ 874,730        | \$ 722,902        |
| Pension   | -                 | 30,628            |
| Rent deductions   | 16,880            | 16,880            |
| Accrued interest on long term debt                          | 58,969            | 50,331            |
|   | <hr/> 950,579     | <hr/> 820,741     |
| <b>Due to government and other government organizations</b> |                   |                   |
| Canada Revenue Agency                                       | 32,072            | 16,452            |
| <b>Total accounts payable</b>                               | <b>\$ 982,651</b> | <b>\$ 837,193</b> |

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**11. Deferred revenue - unexpended funds**

|  | 2019              | 2018              |
|--|-------------------|-------------------|
| P & ID - IM/IT governance capacity development | \$ 6,407          | \$ -              |
| Housing renovations                            | 84,118            | -                 |
|  | <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> |
|  | \$ 90,525         | \$ -              |
|  | <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> |

**12. Deferred revenue**

|                                      | March 31,<br>2018 | Funding<br>received,<br>2019 | Revenue<br>recognized,<br>2019 | March 31,<br>2019 |
|--------------------------------------|-------------------|------------------------------|--------------------------------|-------------------|
| <b>Federal government</b>            |                   |                              |                                |                   |
| Water treatment demineralization     | \$ 18,300         | \$ -                         | \$ (18,300)                    | \$ -              |
| New School Feasibility Study Project | 80,000            | -                            | (8,035)                        | 71,965            |
| Headstart                            | -                 | 147,000                      | (78,609)                       | 68,391            |
|                                      | <hr/> <hr/>       | <hr/> <hr/>                  | <hr/> <hr/>                    | <hr/> <hr/>       |
|                                      | \$ 98,300         | \$ 147,000                   | \$ (104,944)                   | \$ 140,356        |
|                                      | <hr/> <hr/>       | <hr/> <hr/>                  | <hr/> <hr/>                    | <hr/> <hr/>       |

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**13. Investment (Reserve for losses) in government business enterprises**

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board. 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.

|                                   | 2019                  | 2018                  |
|-----------------------------------|-----------------------|-----------------------|
| LBB Gas & Convenience LP - 99.99% | \$ (713,945)          | \$ (357,477)          |
| LBB Gas & Convenience Ltd. - 100% | (1,710)               | 110                   |
| LBB Coffee Franchise LP - 99.99%  | (582,372)             | (443,225)             |
| LBB Coffee Franchise Ltd. - 100%  | (3,653)               | (1,559)               |
| Wakayos Developments LP - 99.99%  | 961,107               | 921,539               |
| Wakayos Developments Ltd. - 100%  | (2,969)               | (909)                 |
| Wakayos Holdings Inc. - 100%      | (122,346)             | (158,137)             |
| LBB Orchards LP - 99.99%          | (182,891)             | (167,694)             |
| LBB Orchards Ltd. - 100%          | (3,920)               | (2,658)               |
|                                   | <hr/><br>\$ (652,699) | <hr/><br>\$ (210,010) |

|                            | Percent<br>Ownership | Investment,<br>beginning of<br>year | Withdrawals           | Undistributed<br>earnings (loss) | Investment,<br>end of year |
|----------------------------|----------------------|-------------------------------------|-----------------------|----------------------------------|----------------------------|
| LBB Gas & Convenience LP   | 99.99%               | \$ (357,477)                        | \$ (635,000)          | \$ 278,532                       | \$ (713,945)               |
| LBB Coffee Franchise LP    | 99.99%               | (443,225)                           | (145,000)             | 5,853                            | (582,372)                  |
| Wakayos Developments LP    | 99.99%               | 921,539                             | -                     | 39,568                           | 961,107                    |
| LBB Orchards LP            | 99.99%               | (167,694)                           | -                     | (15,197)                         | (182,891)                  |
|                            |                      | <hr/><br>(46,857)                   | <hr/><br>(780,000)    | <hr/><br>308,756                 | <hr/><br>(518,101)         |
| Wakayos Holdings Inc       | 100%                 | (158,137)                           | -                     | 35,791                           | (122,346)                  |
| LBB Orchards Ltd.          | 100%                 | (2,658)                             | -                     | (1,262)                          | (3,920)                    |
| LBB Gas & Convenience Ltd. | 100%                 | 110                                 | -                     | (1,820)                          | (1,710)                    |
| LBB Coffee Franchise Ltd.  | 100%                 | (1,559)                             | -                     | (2,094)                          | (3,653)                    |
| Wakayos Developments Ltd.  | 100%                 | (909)                               | -                     | (2,060)                          | (2,969)                    |
|                            |                      | <hr/><br>(163,153)                  | <hr/><br>-            | <hr/><br>28,555                  | <hr/><br>(134,598)         |
|                            |                      | <hr/><br>\$ (210,010)               | <hr/><br>\$ (780,000) | <hr/><br>\$ 337,311              | <hr/><br>\$ (652,699)      |

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**14. Investment (Reserve for losses) in government business enterprises - summary**

|                                     | Wakayos<br>Developments<br>LP and<br>Wakayos<br>Holdings Inc | LBB Orchards<br>Developments<br>Ltd. | LP and LBB<br>Orchards Ltd. | LBB Coffee<br>Franchise LP<br>and<br>LBB Coffee<br>Franchise Inc. | LBB Gas &<br>Convenience<br>LP and<br>LBB Gas &<br>Convenience<br>Ltd. |
|-------------------------------------|--|--------------------------------------|-----------------------------|---|--|
| Cash                                | \$ 21,135  | \$ 39,325                            | \$ -                        | \$ 87,637   | \$ -   |
| Accounts receivable                 | 9,000  | 51,573                               | -                           | -   | 53,416   |
| Inventory                           | -  | -                                    | -                           | 13,192  | 141,501  |
| Prepaid expenses                    | 16,894   | -                                    | -                           | 12,632  | 12,632   |
| Tangible capital assets             | 172,000  | 1,808,101                            | 149,807                     | 328,740   | 982,092  |
| Due from related parties            | 171,428  | 2,781,864                            | -                           | 100,276   | -  |
| Other assets                        | -  | 331                                  | (620)                       | (353)   | 1,590  |
| <b>Total assets</b>                 | <b>\$ 390,457</b>  | <b>\$ 4,681,194</b>                  | <b>\$ 149,187</b>           | <b>\$ 542,124</b>   | <b>\$ 1,191,231</b>  |
|                                     |  |                                      |                             |   |  |
| Bank indebtedness                   | \$ -   | \$ -                                 | \$ -                        | \$ -  | \$ 6,169   |
| Accounts payable                    | 43,978   | 9,372                                | 30,831                      | 112,720   | 95,888   |
| Accrued interest                    | -  | 7,730                                | -                           | -   | -  |
| Deferred revenue                    | 26,480   | -                                    | -                           | -   | -  |
| Long-term debt                      | -  | 3,478,316                            | -                           | -   | -  |
| Due to related parties              | 442,345  | 225,207                              | 305,787                     | 1,013,682   | 1,801,139  |
| <b>Total liabilities</b>            | <b>512,803</b>   | <b>3,720,625</b>                     | <b>336,618</b>              | <b>1,126,402</b>  | <b>1,903,196</b>   |
| <b>Equity</b>                       | <b>(122,346)</b>   | <b>960,569</b>                       | <b>(187,431)</b>            | <b>(584,278)</b>  | <b>(711,965)</b>   |
| <b>Total liabilities and equity</b> | <b>\$ 390,457</b>  | <b>\$ 4,681,194</b>                  | <b>\$ 149,187</b>           | <b>\$ 542,124</b>   | <b>\$ 1,191,231</b>  |
|                                     |  |                                      |                             |   |  |
|                                     | Wakayos<br>Developments<br>LP and<br>Wakayos<br>Holdings Inc | LBB Orchards<br>Developments<br>Ltd. | LP and LBB<br>Orchards Ltd. | LBB Coffee<br>Franchise LP<br>and<br>LBB Coffee<br>Franchise Inc. | LBB Gas &<br>Convenience<br>LP and<br>LBB Gas &<br>Convenience<br>Ltd. |
| <b>Revenue</b>                      | <b>\$ 217,198</b>  | <b>\$ 457,607</b>                    | <b>\$ -</b>                 | <b>\$ 1,846,993</b>   | <b>\$ 5,951,472</b>  |
| Cost of sales                       | -  | -                                    | -                           | 658,479   | 4,813,941  |
| Expenses                            | 181,407  | 418,807                              | 65,512                      | 1,184,192   | 858,750  |
| <b>Net income (loss)</b>            | <b>\$ 35,791</b>   | <b>\$ 38,800</b>                     | <b>\$ (65,512)</b>          | <b>\$ 4,322</b>   | <b>\$ 278,781</b>  |

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**15. Long-term debt**

|   | 2019                       | 2018                       |
|---|----------------------------|----------------------------|
| Peace Hills Trust #6 Term loan - bearing interest at 6.00% per annum, quarterly blended payments of \$60,000, maturing March 30, 2022. Secured by general security agreement and assignments of funding from ISC, Gaming, land leases and Keseechewin Holdings.   | \$ 1,278,569               | \$ 1,428,730               |
| Peace Hills Trust #9 new Term loan for Community Centre construction - bearing interest at 5.95% per annum, semi-annual blended payments of \$48,000, maturing March 31, 2023. Secured by general security agreements of funding from ISC, Land lease funds general security agreement by Wakayos Developments Ltd. as general partner for Wakayos Developments Limited Partnership, any and all profits derived from LBB Gas Bar and Convenience Ltd. and LBB Coffee Franchise Ltd. **Approved loan amount of \$2,100,000. | 760,780                    | -                          |
| SIEF - Bus loan<br>Term loan bearing interest of 12.50%, monthly blended payments of \$1,906 due July 2018. Secured by a 2014 Bluebird bus.   | -                          | 7,017                      |
| Peace Hills Trust #7 Term loan - bearing interest at 5.00% per annum, annual blended payments of \$105,000, maturing March 30, 2022. Secured by general security agreement and assignments of <u>ISC band based capital funding.</u>  | <u>716,423</u>             | <u>800,000</u>             |
| <u>Less current portion</u>   | <u>2,755,772</u>           | <u>2,235,747</u>           |
|   | <u>332,176</u>             | <u>312,845</u>             |
|   | <u><u>\$ 2,423,596</u></u> | <u><u>\$ 1,922,902</u></u> |

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

|                            |                            |
|----------------------------|----------------------------|
| 2020                       | \$ 332,176                 |
| 2021                       | 345,882                    |
| 2022                       | 360,390                    |
| 2023                       | 375,747                    |
| <u>2024 and thereafter</u> | <u>1,341,577</u>           |
|                            | <u><u>\$ 2,755,772</u></u> |

|   | 2019       | 2018       |
|---|------------|------------|
| Interest expense for the year on long-term debt | \$ 126,443 | \$ 156,970 |

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**16. CMHC mortgages**

|                              | Phase number | Maturity date | Interest rate | Monthly payment | 2019       | 2018       |
|------------------------------|--------------|---------------|---------------|-----------------|------------|------------|
| CMHC                         | 7            | 3/1/2019      | 2.09%         | \$ 650          | \$ -       | \$ 7,718   |
| CMHC                         | 8            | 8/1/2020      | 1.08%         | 407             | 29,522     | 34,064     |
| CMHC                         | 9            | 11/1/2022     | 2.06%         | 1,151           | 90,981     | 102,795    |
|                              |              |               |               |                 | 120,503    | 144,577    |
| <u>Less: current portion</u> |              |               |               |                 | 16,860     | 24,211     |
|                              |              |               |               |                 | \$ 103,643 | \$ 120,366 |

Interest paid during the year \$2,617 (2018 - \$2,803)

**17. Tangible capital assets**

|                           |              | Cost       | Additions    | Accumulated amortization | 2019 Net book value |
|---------------------------|--------------|------------|--------------|--------------------------|---------------------|
| Land                      | \$ 2,999,937 | \$ -       | \$ -         | \$ -                     | \$ 2,999,937        |
| Buildings                 | 223,218      | -          | 223,218      | -                        | -                   |
| Automotive equipment      | 136,780      | -          | 131,280      | 5,500                    |                     |
| Machinery & equipment     | 569,272      | 7,685      | 481,667      | 95,290                   |                     |
| Roads                     | 746,067      | -          | 508,304      | 237,763                  |                     |
| Office equipment          | 103,506      | -          | 101,672      | 1,834                    |                     |
| Band houses               | 1,435,764    | -          | 1,282,844    | 152,920                  |                     |
| CMHC houses               | 1,994,499    | -          | 1,752,768    | 241,731                  |                     |
| Infrastructure            | 345,256      | -          | 317,122      | 28,134                   |                     |
| Assets under construction | 598,435      | 701,202    | -            | 1,299,637                |                     |
|                           | \$ 9,152,734 | \$ 708,887 | \$ 4,798,875 | \$ 5,062,746             |                     |

|                           |              | Cost       | Additions    | Accumulated amortization | 2018 Net book value |
|---------------------------|--------------|------------|--------------|--------------------------|---------------------|
| Land                      | \$ 2,999,937 | \$ -       | \$ -         | \$ -                     | \$ 2,999,937        |
| Buildings                 | 223,218      | -          | 223,218      | -                        | -                   |
| Automotive equipment      | 125,780      | 11,000     | 126,030      | 10,750                   |                     |
| Machinery & equipment     | 523,681      | 45,591     | 458,910      | 110,362                  |                     |
| Roads                     | 746,067      | -          | 492,179      | 253,888                  |                     |
| Office equipment          | 99,956       | 3,550      | 99,839       | 3,667                    |                     |
| Band houses               | 1,435,764    | -          | 1,274,042    | 161,722                  |                     |
| CMHC houses               | 1,994,499    | -          | 1,684,566    | 309,933                  |                     |
| Infrastructure            | 334,174      | 11,082     | 296,744      | 48,512                   |                     |
| Assets under construction | 44,074       | 554,361    | -            | 598,435                  |                     |
|                           | \$ 8,527,150 | \$ 625,584 | \$ 4,655,528 | \$ 4,497,206             |                     |

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

---



---

**18. Prepaid expenses**

|                   | 2019     | 2018     |
|-------------------|----------|----------|
| Social assistance | \$ 8,879 | \$ 8,879 |

**19. Accumulated surplus**

|   | 2019                | 2018                |
|---|---------------------|---------------------|
| Restricted                                      |                     |                     |
| Capital assets                                  | \$ 4,181,460        | \$ 4,345,612        |
| Equity (reserve for losses) in related entities | (652,699)           | (210,010)           |
| Portfolio Investments                           | 60,000              | 60,000              |
| Funds held in trust                             | 52,850              | 2,340               |
| CMHC housing reserves                           | 60,105              | 123,700             |
| Unrestricted                                    |                     |                     |
| Surplus (deficit)                               | <u>(2,437,988)</u>  | <u>(3,089,576)</u>  |
|   | <u>\$ 1,263,728</u> | <u>\$ 1,232,066</u> |

Capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services.

Investments in related entities represents amounts not readily available for operations as the investments are not likely to be liquidated within the next year.

CMHC reserves are replacement and operating reserves required to be funded for future housing replacements, as per agreements with CMHC.

Funds held in trust are monies held by the federal government for use by the First Nation for specific purposes.

Operating surplus (deficit) represents future revenue required for past operational activities.

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**20. ISC reconciliation**

|                                      | 2019                       | 2018                       |
|--------------------------------------|----------------------------|----------------------------|
| Total per ISC confirmation           | \$ 1,901,043               | \$ 1,718,994               |
| Prior period - payable (receivable): |                            |                            |
| Band employee benefits               | (660)                      | (668)                      |
| Current year - receivable (payable): |                            |                            |
| Band employee benefits               | <u>2,592</u>               | 660                        |
|                                      | <u><u>\$ 1,902,975</u></u> | <u><u>\$ 1,718,986</u></u> |

**21. Government Transfers**

|   | 2019                       |                          |                            |
|---|----------------------------|--------------------------|----------------------------|
|   | Operating                  | Capital                  | Total                      |
| <b>Federal government transfers</b>     |                            |                          |                            |
| Indigenous Services Canada              | \$ 1,553,345               | \$ 349,630               | \$ 1,902,975               |
| Health Canada                           | 413,862                    | -                        | 413,862                    |
| Canada Mortgage and Housing Corporation | 16,081                     | -                        | 16,081                     |
| <b>Total</b>                            | <u>1,983,288</u>           | <u>349,630</u>           | <u>2,332,918</u>           |
| <b>Provincial government transfers</b>  |                            |                          |                            |
| <b>Total</b>                            | <u><u>\$ 1,983,288</u></u> | <u><u>\$ 349,630</u></u> | <u><u>\$ 2,332,918</u></u> |
| 2018                                    |                            |                          |                            |
|   | Operating                  | Capital                  | Total                      |
| <b>Federal government transfers</b>     |                            |                          |                            |
| Indigenous Services Canada              | \$ 1,184,221               | \$ 534,765               | \$ 1,718,986               |
| Health Canada                           | 9,512                      | -                        | 9,512                      |
| Canada Mortgage and Housing Corporation | 35,208                     | -                        | 35,208                     |
| <b>Total</b>                            | <u>1,228,941</u>           | <u>534,765</u>           | <u>1,763,706</u>           |
| <b>Provincial government transfers</b>  |                            |                          |                            |
| <b>Total</b>                            | <u><u>\$ 1,228,941</u></u> | <u><u>\$ 534,765</u></u> | <u><u>\$ 1,763,706</u></u> |

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**22. CMHC housing restricted funds**

The CMHC funding agreements require that the First Nation set aside cash in specially funded reserve bank accounts. On March 31, 2019 the reserves were underfunded by \$83,918 (2018 - \$98,820).

During the year Little Black Bear First Nation received \$134,913 as a special replacement reserve contribution from the Canada Mortgage and Housing Corporation. Management deposited this funding into the First Nation's general chequing bank account rather than into the replacement reserve bank account. During the year the First Nation spent \$33,222 of this funding on reserve and replacement expenditures.

As of the date of these statements the balance of the funding had not been transferred to the reserve and replacement account.

**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**

Little Black Bear First Nation does not provide extended health, dental and life insurance benefits to retirees and their surviving spouses and therefore has no obligations with regards to post employment benefits.

**Pension plan**

Little Black Bear First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5.5% of their salary. Little Black Bear First Nation contributes a matching portion which is directed to the member's contribution account. Little Black Bear First Nation recorded an expense during the year of \$19,658 (2018 - \$17,811) for retirement benefits.

**24. 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.

**25. 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.

**26. Budgeted figures**

Budgeted figures are unaudited and have been provided for comparison purposes and have been derived from the estimates approved by the Little Black Bear First Nation.

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**27. Contingent liabilities**

Little Black Bear First 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.

In addition, in the normal course of its operations, Little Black Bear First 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 Little Black Bear First Nation's financial statements.

Little Black Bear First Nation has guaranteed various loans of Wakayos Developments LP. The total amount of the loans outstanding is \$3,478,316 (2018 - \$3,595,210).

**28. Economic dependence**

Little Black Bear First Nation receives a major portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada (ISC).

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**29. Expenses by object**

|  | 2019<br>Budget | 2019<br>Actual | 2018<br>Actual |
|--|----------------|----------------|----------------|
| Administration                                   | \$ 97,864      | \$ 95,053      | \$ 106,673     |
| Advertising, promotions, sponsorships            | -              | 500            | 500            |
| Amortization                                     | -              | 143,348        | 175,735        |
| Assistance - band members                        | 263,866        | 260,563        | 206,445        |
| Assistance - social development                  | 312,744        | 310,263        | 337,483        |
| Bad debts  | 420            | 1,117          | 4,775          |
| Consultants and contractors                      | 1,399,941      | 1,551,820      | 1,664,114      |
| Cultural programs                                | 45,465         | 74,687         | 96,703         |
| Donation   | 10,000         | 24,438         | 14,570         |
| Equipment purchases                              | 35,472         | 13,279         | 59,081         |
| Fuel   | 46,968         | 37,087         | 34,744         |
| Graduation, awards, prizes                       | 7,400          | 4,900          | 6,800          |
| Honorariums                                      | -              | -              | 184,000        |
| Insurance  | 40,114         | 55,789         | 46,321         |
| Interest and bank charges                        | 61,519         | 149,069        | 197,574        |
| Investment in Wakayos Development LP             | -              | -              | 90,000         |
| Investment in Wakayos Holdings Inc.              | -              | 120,000        | -              |
| Janitorial services                              | 8,400          | 11,125         | 750            |
| Job readiness program                            | 20,713         | 20,713         | 33,248         |
| LBB Orchards expenses                            | -              | 45,826         | 35,318         |
| Long term debt - mortgage (principle & interest) | 100,311        | 26,690         | 78,555         |
| Long term debt - mortgage principle repayment    | (67,500)       | (24,073)       | (75,752)       |
| Long term debt - payments (principle & interest) | -              | 367,198        | 129,472        |
| Long term debt - principle repayment             | -              | (240,755)      | (20,568)       |
| NIB expenses                                     | -              | -              | 160,753        |
| Professional fees                                | 94,280         | 115,524        | 233,047        |
| Programming expenses                             | 15,624         | 16,433         | -              |
| Registration fees                                | 2,400          | 5,915          | 4,740          |
| Rent - equipment                                 | -              | 648            | 3,558          |
| Repairs and maintenance                          | 116,927        | 262,157        | 179,055        |
| Student allowance                                | 116,110        | 94,149         | 111,605        |
| Supplies   | 240,026        | 202,323        | 167,440        |
| Telephone  | 24,500         | 30,128         | 26,639         |
| Travel, meetings, per diems                      | 258,685        | 303,986        | 218,075        |
| Tuition  | 97,171         | 54,721         | 52,589         |
| Utilities  | 20,581         | 25,992         | 23,512         |
| Wages and benefits                               | 833,683        | 763,592        | 385,864        |
| Transfer to capital assets                       | -              | (708,886)      | (634,186)      |
|  | <hr/>          | <hr/>          | <hr/>          |
|  | \$ 4,203,684   | \$ 4,215,319   | \$ 4,339,232   |
|  | <hr/>          | <hr/>          | <hr/>          |

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

### **30. Segmented information**

As previously discussed in note 2 (k) 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.

**Little Black Bear First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2019*

**30. 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 and 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**  
**Little Black Bear First Nation**  
**Community Development**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|  | 2019<br>Budget | 2019<br>Actual | 2018<br>Actual |
|--|----------------|----------------|----------------|
| <b>Revenue</b>                                     |                |                |                |
| Indigenous Services Canada - fixed contribution    | \$ 182,587     | \$ 188,536     | \$ 203,589     |
| Indigenous Services Canada - set contribution      | -              | -              | 12,951         |
| Indigenous Services Canada - flexible contribution | 392,130        | 392,130        | 158,630        |
| Health Canada                                      | 200,000        | 200,000        | -              |
| CMHC   | -              | -              | 6,333          |
| FHQ Tribal Council                                 | -              | -              | (604)          |
| Loan proceeds                                      | 500,000        | -              | -              |
| Deferred revenue - prior year                      | 80,000         | 98,300         | 249,918        |
| Deferred revenue - current year                    | -              | (71,965)       | (98,300)       |
|  | 1,354,717      | 807,001        | 532,517        |
| <b>Expenses</b>                                    |                |                |                |
| Administration                                     | 24,000         | 21,559         | 9,952          |
| Consultants and contractors                        | 951,586        | 953,043        | 813,202        |
| Equipment purchases                                | 28,800         | 7,684          | -              |
| Fuel   | 19,768         | 12,807         | 23,100         |
| Insurance  | 20,620         | 18,438         | 19,636         |
| Interest on long term debt                         | -              | 6,550          | -              |
| Interest and bank charges                          | 500            | 321            | -              |
| Rent - equipment                                   | -              | 648            | 3,558          |
| Repairs and maintenance                            | 32,021         | 70,147         | 82,354         |
| Supplies   | 124,816        | 44,044         | 40,936         |
| Telephone  | 4,100          | 1,372          | 568            |
| Travel, meetings, per diems                        | 23,400         | 23,669         | 15,076         |
| Utilities  | 18,095         | 23,223         | 20,635         |
| Wages and benefits                                 | 93,353         | 110,886        | 49,797         |
| Transfer to capital assets                         | -              | (708,886)      | (565,444)      |
|  | 1,341,059      | 585,505        | 513,370        |
| <b>Current surplus before other items</b>          | 13,658         | 221,496        | 19,147         |
| <b>Other items</b>                                 |                |                |                |
| Unexpended funds transferred to deferred revenue   | -              | (84,118)       | -              |
| <b>Current surplus before transfers</b>            | 13,658         | 137,378        | 19,147         |
| <b>Transfers</b>                                   |                |                |                |
| Transfer - Amortization                            | (1,200)        | (66,988)       | (62,213)       |
| <b>Current surplus (deficit)</b>                   | \$ 12,458      | \$ 70,390      | \$ (43,066)    |

The accompanying notes are an integral part of the financial statements

**Schedule #2**  
**Little Black Bear First Nation**  
**Economic Development**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|  | 2019<br>Budget     | 2019<br>Actual      | 2018<br>Actual  |
|--|--------------------|---------------------|-----------------|
| <b>Revenue</b>                                     |                    |                     |                 |
| Indigenous Services Canada - fixed contribution    | \$ 39,600          | \$ 39,600           | \$ 40,000       |
| FHQ Tribal Council                                 | 34,989             | 34,989              | 34,989          |
| Land leases (flowed through Wakayos Holdings Inc.) | -                  | 172,785             | 163,247         |
| Other revenue                                      | 150,000            | 81,520              | 4,800           |
|  | <b>224,589</b>     | <b>328,894</b>      | <b>243,036</b>  |
| <b>Expenses</b>                                    |                    |                     |                 |
| Consultants and contractors                        | 108,586            | 142,591             | 71,002          |
| Fuel   | 4,000              | 4,000               | -               |
| Insurance  | 640                | -                   | -               |
| LBB Orchards expenses                              | -                  | 45,826              | 35,318          |
| Long term debt - payments (principle & interest)   | -                  | 248,452             | 106,600         |
| Long term debt - principle repayment               | -                  | (150,161)           | -               |
| Professional fees                                  | -                  | 30,804              | 21,702          |
| Repairs and maintenance - other                    | 4,800              | -                   | -               |
| Supplies   | 34,800             | 30,318              | (542)           |
| Travel, meetings, per diems                        | 1,200              | 13,128              | 19,325          |
| Wages and benefits                                 | 130,563            | 93,309              | -               |
|  | <b>284,589</b>     | <b>458,267</b>      | <b>253,405</b>  |
| <b>Current deficit before transfers</b>            | <b>(60,000)</b>    | <b>(129,373)</b>    | <b>(10,369)</b> |
| <b>Transfers</b>                                   |                    |                     |                 |
| Transfer - Other Programs                          | -                  | -                   | 10,000          |
| <b>Current deficit</b>                             | <b>\$ (60,000)</b> | <b>\$ (129,373)</b> | <b>\$ (369)</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #3**  
**Little Black Bear First Nation**  
**Education**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|   | 2019<br>Budget     | 2019<br>Actual    | 2018<br>Actual  |
|---|--------------------|-------------------|-----------------|
| <b>Revenue</b>                                    |                    |                   |                 |
| Indigenous Services Canada - fixed contribution   | \$ 420,080         | \$ 431,167        | \$ 416,891      |
| FHQ Tribal Council                                | 5,472              | 5,472             | 5,472           |
|   | <b>425,552</b>     | <b>436,639</b>    | <b>422,363</b>  |
| <b>Expenses</b>                                   |                    |                   |                 |
| Administration                                    | 29,426             | 29,426            | 67,811          |
| Consultants and contractors                       | 60,365             | 65,629            | 48,020          |
| Cultural programs                                 | 15,882             | 20,899            | 11,182          |
| Fuel  | 23,200             | 20,280            | 11,644          |
| Graduation, awards, prizes                        | 7,400              | 4,900             | 6,800           |
| Insurance   | 3,600              | 2,897             | 2,959           |
| Long term debt - payments (principle & interest)  | -                  | 7,196             | 22,872          |
| Long term debt - principle repayment              | -                  | (7,017)           | (20,568)        |
| Registration fees                                 | 2,400              | 100               | -               |
| Repairs and maintenance                           | 20,106             | 20,449            | 13,941          |
| Student allowance                                 | 116,110            | 94,149            | 111,605         |
| Supplies  | 25,263             | 38,605            | 22,191          |
| Telephone   | 3,000              | 3,000             | -               |
| Travel, meetings, per diems                       | 14,602             | 32,275            | 13,564          |
| Tuition   | 97,171             | 54,721            | 52,589          |
| Vehicle/equipment purchases                       | 872                | 178               | 13,450          |
| Wages and benefits                                | 41,155             | 49,406            | 22,789          |
| Transfer to capital assets                        | -                  | -                 | (13,450)        |
|   | <b>460,552</b>     | <b>437,093</b>    | <b>387,399</b>  |
| <b>Current surplus (deficit) before transfers</b> | <b>(35,000)</b>    | <b>(454)</b>      | <b>34,964</b>   |
| <b>Transfers</b>                                  |                    |                   |                 |
| Transfer - Amortization                           | -                  | (5,495)           | (27,595)        |
| <b>Current surplus (deficit)</b>                  | <b>\$ (35,000)</b> | <b>\$ (5,949)</b> | <b>\$ 7,369</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #4**  
**Little Black Bear First Nation**  
**Indian Government Support**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|  | 2019<br>Budget   | 2019<br>Actual   | 2018<br>Actual   |
|--|------------------|------------------|------------------|
| <b>Revenue</b>                                     |                  |                  |                  |
| Indigenous Services Canada - grant contribution    | \$ 228,660       | \$ 304,638       | \$ 306,780       |
| Indigenous Services Canada - fixed contribution    | 32,370           | 33,268           | 14,856           |
| Indigenous Services Canada - set contribution      | 9,853            | 11,608           | 19,648           |
| Indigenous Services Canada - flexible contribution | 10,000           | 10,000           | -                |
| ISC - current year receivable (payable)            | -                | 2,592            | 660              |
| FHQ Tribal Council                                 | -                | 5,063            | -                |
| Other revenue                                      | 118,659          | 50,208           | 18,716           |
| Administration fees - internal allocation          | 86,740           | 82,494           | 80,590           |
|  | 486,282          | 499,871          | 441,250          |
| <b>Expenses</b>                                    |                  |                  |                  |
| Administration                                     | 370              | -                | -                |
| Advertising, promotions, sponsorships              | -                | 500              | 500              |
| Assistance - general                               | 23,066           | 216              | 577              |
| Bad debts  | -                | 1,117            | 4,775            |
| Consultants and contractors                        | 141,800          | 106,939          | 118,097          |
| Donation   | 10,000           | 24,438           | 14,570           |
| Equipment purchases                                | 5,800            | 5,267            | 6,731            |
| Honorariums  | -                | -                | 183,250          |
| Interest and bank charges                          | 60,399           | 146,165          | 193,709          |
| Interest on long term debt                         | -                | 21,423           | -                |
| Janitorial services                                | -                | 1,725            | 300              |
| Professional fees                                  | 45,000           | 38,320           | 146,311          |
| Registration fees                                  | -                | 700              | -                |
| Repairs and maintenance                            | 12,500           | 50               | 280              |
| Supplies   | 15,000           | 7,316            | 31,483           |
| Telephone  | 15,000           | 13,056           | 12,671           |
| Travel, meetings, per diems                        | 129,000          | 151,099          | 53,288           |
| Wages and benefits                                 | 394,006          | 372,726          | 157,070          |
| Transfer to capital assets                         | -                | -                | (3,550)          |
|  | 851,941          | 891,057          | 920,062          |
| <b>Current deficit before other items</b>          | <b>(365,659)</b> | <b>(391,186)</b> | <b>(478,812)</b> |
| <b>Other items</b>                                 |                  |                  |                  |
| Unexpended funds transferred to deferred revenue   | -                | (6,407)          | -                |
| <b>Current deficit before transfers</b>            | <b>(365,659)</b> | <b>(397,593)</b> | <b>(478,812)</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #4, continued**  
**Little Black Bear First Nation**  
**Indian Government Support**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|                                  | 2019<br>Budget      | 2019<br>Actual   | 2018<br>Actual      |
|----------------------------------|---------------------|------------------|---------------------|
| <b>Transfers</b>                 |                     |                  |                     |
| Transfer - Other Programs        | -                   | 420,000          | 55,000              |
| Transfer - Social Development    | -                   | -                | (18,000)            |
| Transfer - Amortization          | -                   | (1,833)          | (1,833)             |
| <b>Current surplus (deficit)</b> | <b>\$ (365,659)</b> | <b>\$ 20,574</b> | <b>\$ (443,645)</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #5**  
**Little Black Bear First Nation**  
**Lands Management**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|   | 2019<br>Budget | 2019<br>Actual     | 2018<br>Actual    |
|---|----------------|--------------------|-------------------|
| <b>Revenue</b>                                    |                |                    |                   |
| Indigenous Services Canada - fixed contribution   | \$ 111,991     | \$ 111,991         | \$ 65,591         |
| Indigenous Services Canada - set contribution     | -              | -                  | 65,034            |
| Other revenue                                     | -              | -                  | 1,487             |
| Unexpended funds transferred - prior year         | -              | -                  | 20,675            |
|   | <b>111,991</b> | <b>111,991</b>     | <b>152,787</b>    |
| <b>Expenses</b>                                   |                |                    |                   |
| Administration                                    | 6,560          | 6,560              | -                 |
| Consultants and contractors                       | 18,654         | 110,738            | 54,098            |
| Equipment purchases                               | -              | 150                | 38,900            |
| Honorariums                                       | -              | -                  | 750               |
| Insurance   | -              | 510                | 507               |
| Professional fees                                 | 46,400         | 46,400             | 65,034            |
| Repairs and maintenance - other                   | -              | 21,428             | 12,309            |
| Supplies  | -              | 7,253              | 21,142            |
| Telephone   | 2,400          | -                  | -                 |
| Transfer to capital assets                        | -              | -                  | (51,742)          |
| Travel, meetings, per diems                       | 7,200          | 7,406              | 8,999             |
| Wages and benefits                                | 30,777         | -                  | -                 |
|   | <b>111,991</b> | <b>200,445</b>     | <b>149,997</b>    |
| <b>Current surplus (deficit) before transfers</b> | <b>-</b>       | <b>(88,454)</b>    | <b>2,790</b>      |
| <b>Transfers</b>                                  |                |                    |                   |
| Transfer - Amortization                           | -              | (830)              | (4,314)           |
| <b>Current deficit</b>                            | <b>\$ -</b>    | <b>\$ (89,284)</b> | <b>\$ (1,524)</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #6**  
**Little Black Bear First Nation**  
**Social Development**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|  | 2019<br>Budget     | 2019<br>Actual     | 2018<br>Actual     |
|--|--------------------|--------------------|--------------------|
| <b>Revenue</b>                                     |                    |                    |                    |
| Indigenous Services Canada - fixed contribution    | \$ 37,522          | \$ 37,522          | \$ 33,221          |
| Indigenous Services Canada - flexible contribution | 349,923            | 334,923            | 376,135            |
|  | <hr/> 387,445      | 372,445            | 409,356            |
| <b>Expenses</b>                                    |                    |                    |                    |
| Administration                                     | 7,655              | 7,655              | -                  |
| Assistance - social development                    | 312,744            | 310,263            | 337,483            |
| Consultants and contractors                        | 3,600              | 23,485             | 7,403              |
| Interest and bank charges                          | 120                | 2,020              | 1,829              |
| Job readiness program                              | 20,713             | 20,713             | 33,248             |
| Repairs and maintenance                            | 5,300              | 8,000              | 5,600              |
| Supplies   | 2,934              | 4,017              | 868                |
| Travel, meetings, per diems                        | 6,483              | 6,018              | 5,141              |
| Wages and benefits                                 | 41,896             | 41,530             | 46,782             |
|  | <hr/> 401,445      | 423,701            | 438,354            |
| <b>Current deficit before transfers</b>            | <b>(14,000)</b>    | <b>(51,256)</b>    | <b>(28,998)</b>    |
| <b>Transfers</b>                                   |                    |                    |                    |
| Transfer - Indian Government Support               | -                  | -                  | 18,000             |
| <b>Current deficit</b>                             | <b>\$ (14,000)</b> | <b>\$ (51,256)</b> | <b>\$ (10,998)</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #7**  
**Little Black Bear First Nation**  
**Indian Registration**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|   | 2019<br>Budget    | 2019<br>Actual    | 2018<br>Actual    |
|---|-------------------|-------------------|-------------------|
| <b>Revenue</b>                                  |                   |                   |                   |
| Indigenous Services Canada - fixed contribution | \$ 5,000          | \$ 5,000          | \$ 5,000          |
| <b>Expenses</b>                                 |                   |                   |                   |
| Consultants and contractors                     | 8,600             | 11,650            | 8,100             |
| Supplies  | 1,000             | 200               | 915               |
| Travel, meetings, per diems                     | 1,800             | 1,245             | 1,786             |
|   | <hr/> 11,400      | <hr/> 13,095      | <hr/> 10,801      |
| <b>Current deficit</b>                          | <b>\$ (6,400)</b> | <b>\$ (8,095)</b> | <b>\$ (5,801)</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #8**  
**Little Black Bear First Nation**  
**Community Health**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|                                 | 2019<br>Budget | 2019<br>Actual    | 2018<br>Actual  |
|---------------------------------|----------------|-------------------|-----------------|
| <b>Revenue</b>                  |                |                   |                 |
| Health Canada                   | \$ 209,834     | \$ 213,862        | \$ 9,512        |
| File Hills Health               | -              | -                 | 188,525         |
| FHQ Tribal Council              | 86,628         | 163,628           | 87,628          |
| Deferred revenue - current year | -              | (68,391)          | -               |
|                                 | <b>296,462</b> | <b>309,099</b>    | <b>285,665</b>  |
| <b>Expenses</b>                 |                |                   |                 |
| Administration                  | 20,673         | 20,673            | 19,580          |
| Consultants and contractors     | 56,750         | 79,445            | 79,057          |
| Cultural programs               | 29,583         | 26,309            | 23,048          |
| Janitorial services             | 8,400          | 9,400             | 450             |
| Programming expenses            | 15,624         | 16,433            | -               |
| Registration fees               | -              | 100               | -               |
| Repairs and maintenance         | 2,800          | 1,240             | 2,722           |
| Supplies                        | 33,213         | 36,269            | 27,570          |
| Travel, meetings, per diems     | 25,000         | 29,442            | 21,530          |
| Utilities                       | 2,486          | 2,769             | 2,877           |
| Wages and benefits              | 101,933        | 95,734            | 109,226         |
|                                 | <b>296,462</b> | <b>317,814</b>    | <b>286,060</b>  |
| <b>Current deficit</b>          | <b>\$ -</b>    | <b>\$ (8,715)</b> | <b>\$ (395)</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #9**  
**Little Black Bear First Nation**  
**CMHC**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|  | 2019<br>Budget | 2019<br>Actual      | 2018<br>Actual      |
|--|----------------|---------------------|---------------------|
| <b>Revenue</b>                                   |                |                     |                     |
| CMHC   | \$ 63,145      | \$ 150,994          | \$ 28,875           |
| CMHC - rental income                             | 57,300         | -                   | 18,920              |
| Other revenue                                    | -              | 8                   | 15                  |
|  | <b>120,445</b> | <b>151,002</b>      | <b>47,810</b>       |
| <b>Expenses</b>                                  |                |                     |                     |
| Administration                                   | 9,180          | 9,180               | 9,180               |
| Bad debts  | 420            | -                   | -                   |
| Consultants and contractors                      | 20,000         | 14,975              | 9,715               |
| Insurance  | 15,254         | 33,944              | 23,219              |
| Interest and bank charges                        | 500            | 563                 | 2,036               |
| Long term debt - mortgage (principle & interest) | 100,311        | 26,690              | 78,555              |
| Long term debt - mortgage principle repayment    | (67,500)       | (24,073)            | (75,752)            |
| Professional fees                                | 2,880          | -                   | -                   |
| Repairs and maintenance                          | 39,400         | 140,844             | 61,850              |
| Supplies   | -              | 29,131              | 12,200              |
| Travel, meetings, per diems                      | -              | -                   | 555                 |
|  | <b>120,445</b> | <b>231,254</b>      | <b>121,558</b>      |
| <b>Current deficit before transfers</b>          | <b>-</b>       | <b>(80,252)</b>     | <b>(73,748)</b>     |
| <b>Transfers</b>                                 |                |                     |                     |
| Transfer - Amortization                          | -              | (68,202)            | (79,780)            |
| <b>Current deficit</b>                           | <b>\$ -</b>    | <b>\$ (148,454)</b> | <b>\$ (153,528)</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #10**  
**Little Black Bear First Nation**  
**Other Programs**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|   | 2019<br>Budget    | 2019<br>Actual    | 2018<br>Actual      |
|---|-------------------|-------------------|---------------------|
| <b>Revenue</b>                                    |                   |                   |                     |
| Trust funds held by federal government            | \$ -              | \$ 50,510         | \$ 55,256           |
| First Nations Trust                               | 200,000           | 195,965           | 199,627             |
| Yorkton Tribal Council Child and Family Services  | -                 | 607,629           | -                   |
| Living Sky Community Development Corporation      | 20,000            | 26,198            | 31,932              |
| Gains (losses) in related business entities       | -                 | (442,689)         | (333,432)           |
| LBB Coffee Franchise LP - drawings                | -                 | 149,900           | 60,000              |
| Keseechiwan Holdings LP dividend                  | 60,000            | 60,000            | 60,000              |
| LBB Gas Bar & Convenience LP - drawings           | 600,000           | 635,000           | 750,000             |
| Other revenue                                     | 200,000           | 33,050            | 175,618             |
|   | 1,080,000         | 1,315,563         | 999,001             |
| <b>Expenses</b>                                   |                   |                   |                     |
| Administration                                    | -                 | -                 | 150                 |
| Assistance - band members                         | 240,800           | 260,347           | 205,868             |
| Consultants and contractors                       | 30,000            | 43,325            | 455,420             |
| Cultural programs                                 | -                 | 27,479            | 62,473              |
| Investment in Wakayos Development LP              | -                 | -                 | 90,000              |
| Investment in Wakayos Holdings Inc.               | -                 | 120,000           | -                   |
| NIB expenses                                      | -                 | -                 | 160,753             |
| Registration fees                                 | -                 | 5,015             | 4,740               |
| Supplies  | 3,000             | 5,163             | 10,676              |
| Telephone   | -                 | 12,700            | 13,400              |
| Travel, meetings, per diems                       | 50,000            | 39,704            | 78,810              |
| Wages and benefits                                | -                 | -                 | 200                 |
|   | 323,800           | 513,733           | 1,082,490           |
| <b>Current surplus (deficit) before transfers</b> | <b>756,200</b>    | <b>801,830</b>    | <b>(83,489)</b>     |
| <b>Transfers</b>                                  |                   |                   |                     |
| Transfer - Indian Government Support              | -                 | (420,000)         | (55,000)            |
| Transfer - Economic Development                   | -                 | -                 | (10,000)            |
| <b>Current surplus (deficit)</b>                  | <b>\$ 756,200</b> | <b>\$ 381,830</b> | <b>\$ (148,489)</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #11**  
**Little Black Bear First Nation**  
**Amortization**  
**Schedule of Operations**  
*For the year ended March 31, 2019*

|   | 2019<br>Budget | 2019<br>Actual | 2018<br>Actual |
|---|----------------|----------------|----------------|
| <b>Revenue</b>                          | \$ -           | \$ -           | \$ -           |
| <b>Expenses</b>                         |                |                |                |
| Community Buildings                     | -              | 26,940         | 36,541         |
| Roads and Bridges                       | -              | 31,246         | 16,870         |
| Renovations                             | -              | 8,802          | 8,802          |
| Education                               | -              | 5,495          | 27,595         |
| Indian Government Support               | -              | 1,833          | 1,833          |
| CMHC Housing Operations                 | -              | 68,202         | 79,780         |
| Lands Management                        | -              | 830            | 4,314          |
|   | -              | 143,348        | 175,735        |
| <b>Current deficit before transfers</b> | -              | (143,348)      | (175,735)      |
| <b>Transfers</b>                        |                |                |                |
| Transfer - Programs                     | -              | 143,348        | 175,735        |
| <b>Current surplus</b>                  | \$ -           | \$ -           | \$ -           |

The accompanying notes are an integral part of the financial statements