



**Buffalo River Dene Nation
Consolidated Financial Statements**

March 31, 2019



Buffalo River Dene Nation Contents

For the year ended March 31, 2019

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Management's Responsibility



To the Members of Buffalo River Dene Nation:

The accompanying consolidated financial statements of Buffalo River Dene 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.

The Buffalo River Dene Nation Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

MNP LLP, 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 the Council and management to discuss their audit findings.

Signed By: Colin Catarat

Administrator

Independent Auditor's Report

To the Members of Buffalo River Dene Nation:

Opinion

We have audited the consolidated financial statements of Buffalo River Dene Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net debt, cash flows and the related schedules 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 consolidated change in 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 Auditor's 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.

Independent Auditor's Report

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 auditor's 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 auditor's 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 First Nation 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.

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

Saskatoon, Saskatchewan
November 19, 2019

MNP LLP
Chartered Professional Accountants



Buffalo River Dene Nation
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	2018
Financial assets		
Current		
Cash and cash equivalents	120,571	210,276
Accounts receivable (Note 4)	208,069	496,625
Restricted cash (Note 5)	130,604	301,919
	459,244	1,008,820
Portfolio investments (Note 6)	8,342	8,342
Advances to Buffalo River Mini Mart & Gas Bar Inc. (Note 7)	204,463	254,951
Investments in Nation business entities (Note 8)	603,480	802,902
Funds held in trust (Note 9)	46,904	45,336
Restricted cash (Note 5)	105,676	156,789
Total financial assets	1,428,109	2,277,140
Liabilities		
Current		
Bank indebtedness (Note 10)	1,070,402	524,879
Accounts payable and accruals	936,617	817,002
Deferred revenue (Note 11)	1,663,084	1,540,018
Current portion of long-term debt (Note 12)	622,000	688,824
Current portion of capital lease obligations (Note 13)	71,995	70,080
	4,364,098	3,640,803
Long-term debt (Note 12)	5,218,282	5,563,651
Capital lease obligations (Note 13)	119,195	188,140
Total financial liabilities	9,701,575	9,392,594
Net debt	(8,273,466)	(7,115,454)
Non-financial assets		
Tangible capital assets (Note 14)	26,370,651	21,747,678
Accumulated surplus (Note 15)	18,097,185	14,632,224

Approved by:

Signed By: Elmer Campbell

Chief

Signed By: Greyson Janvier

Councillor

Signed By: Louis Chinalquay

Signed By: Debbie Billette

Signed By: Christopher LaPlante



Buffalo River Dene Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

	<i>Schedules</i>	<i>2019 Budget (Note 18)</i>	<i>2019 Actual</i>	<i>2018 Actual</i>
Revenues				
Indigenous Services Canada (Note 16)		4,800,494	10,445,915	8,930,057
MLTC Program Services Inc.		836,486	2,649,856	2,719,958
Meadow Lake Health & Social Development Authority Inc.		2,257,738	1,970,032	1,442,595
Canada Mortgage and Housing Corporation		-	378,428	498,468
Meadow Lake Tribal Council CFS Inc.		231,245	291,711	231,245
Health Canada		81,000	84,459	97,539
MLTC - MCARR		-	-	9,659
Investment income		-	457,947	171,379
First Nations Trust		493,495	442,067	459,631
Other revenue		197,589	358,544	814,093
Expense recoveries		95,212	224,475	176,467
Rental income		81,300	145,633	156,581
Northern Sports, Culture & Recreation District		43,050	53,850	58,600
Government of Saskatchewan		125,875	31,650	47,393
Earnings (loss) from investment in Nation business entities (Note 8)		400,000	(88,066)	175,543
User fees		22,000	6,975	7,802
Northern Lights Community Development Corporation		-	2,500	97,787
		9,665,484	17,455,976	16,094,797
Program expenses				
Administration	3	1,288,717	2,122,655	2,211,309
Community Infrastructure	4	1,373,800	1,693,215	1,635,117
Education	5	3,709,082	3,730,734	3,682,576
Health	6	2,048,350	2,426,894	2,049,594
Capital	7	332,651	1,663,277	1,589,281
Other Programs	8	887,175	657,029	704,295
Social Development	9	114,080	1,697,211	1,902,349
		9,753,855	13,991,015	13,774,521
Annual surplus (deficit) before other item		(88,371)	3,464,961	2,320,276
Other income				
Gain on disposal of tangible capital assets		-	-	371,011
Annual surplus (deficit)		(88,371)	3,464,961	2,691,287
Accumulated surplus, beginning of year		14,632,224	14,632,224	11,940,937
Accumulated surplus, end of year (Note 15)		14,543,853	18,097,185	14,632,224



Buffalo River Dene Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
Annual surplus (deficit)	(88,371)	3,464,961	2,691,287
Purchases of tangible capital assets	-	(5,716,458)	(6,483,095)
Amortization of tangible capital assets	-	1,093,485	1,038,725
Gain on disposal of tangible capital assets	-	-	(371,011)
Proceeds on disposal of tangible capital assets	-	-	610,853
 Increase in net debt	 (88,371)	 (1,158,012)	 (2,513,241)
Net debt, beginning of year	(7,115,454)	(7,115,454)	(4,602,213)
 Net debt, end of year	 (7,203,825)	(8,273,466)	(7,115,454)



Buffalo River Dene Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

2019

2018

Cash provided by (used for) the following activities

Operating activities

Annual surplus (deficit)	3,464,961	2,691,287
Non-cash items		
Amortization	1,093,485	1,038,725
Gain on disposal of tangible capital assets	-	(371,011)
Earnings from investment in Nation business entities	88,066	(175,543)
	4,646,512	3,183,458
Changes in working capital accounts		
Accounts receivable	288,556	(239,848)
Restricted cash	222,428	34,841
Accounts payable and accruals	119,615	181,932
Deferred revenue	123,066	1,163,536
	5,400,177	4,323,919

Financing activities

Advances of long-term debt	276,902	4,597,754
Repayment of long-term debt	(689,095)	(2,423,458)
Repayment of capital lease obligations	(67,030)	(59,332)
Increase (decrease) in bank indebtedness (net)	545,523	(511,416)
	66,300	1,603,548

Capital activities

Purchases of tangible capital assets	(5,716,458)	(6,483,095)
Proceeds on disposal of tangible capital assets	-	610,853
	(5,716,458)	(5,872,242)

Investing activities

Advances to Buffalo River Mini Mart & Gas Bar Inc.	50,488	-
Decrease (increase) in funds held in trust	(1,568)	14,367
Distributions from investments in Nation business entities	111,356	59,403
	160,276	73,770

Increase (decrease) in cash resources

Cash resources, beginning of year	210,276	81,281
Cash resources, end of year	120,571	210,276

The accompanying notes are an integral part of these financial statements



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

1. Operations

The Buffalo River Dene Nation (the "Dene Nation") is located in the province of Saskatchewan, and provides various services to its Members. The Buffalo River Dene Nation financial reporting entity includes the Dene Nation's government and all related entities that are accountable to the Dene Nation and are either owned or controlled by the Dene Nation.

2. Change in accounting policy

Effective April 1, 2018, the First Nation adopted the recommendations relating to the following Section, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 3430 Restructuring Transactions

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was not material impact on the consolidated financial statements from adopting the new Section.

3. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as set out in the CPA Canada Handbook - Public Sector Accounting as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Dene Nation reporting entity, except for Dene Nation business entities.

The Dene Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Buffalo River Dene Nation
- Buffalo River Dene Nation CMHC Housing Program

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Buffalo River Dene Nation business entities, owned or controlled by the Dene Nation's Council but not dependent on the Dene Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Dene Nation. Thus, the Dene Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. The following entity is accounted for by the modified equity basis:

- Buffalo River Mini Mart & Gas Bar Inc. 100% interest

Other economic interests

The Dene Nation does not either share in the control or the profit or loss of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of Buffalo River Dene Nation.

The Dene Nation is a member of Meadow Lake Tribal Council. The Tribal Council is an organization of nine Nations.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

3. Significant accounting policies *(Continued from previous page)*

Cash and cash equivalents

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for general operations is included in restricted cash. Restricted cash consists of CMHC Operating Reserve, CMHC Replacement Reserve, and capital project bank accounts and term deposits.

Portfolio investments

Portfolio investments which are owned by Buffalo River Dene Nation but not controlled or influenced by the Dene Nation are accounted for using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported at.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the Dene Nation members by the Government of Canada in the Ottawa Trust fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

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

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution where fair value can be reasonably determined.

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Buildings	10-50 years
Equipment	4-5 years
Infrastructure	5-25 years
Equipment under capital lease	4 years

Assets under construction are not amortized until they are put into use. Land is not amortized.

Asset classification

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

Net debt

The Dene Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Dene Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

3. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Funding

Funding is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Government transfers

The Dene Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Dene Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenue

Rental revenues are recognized over the rental term. Other revenue is earned from services provided by the Dene Nation and is recognized when the service has been provided. Investment income and expense recoveries are recognized when the amounts are known and collection reasonably assured.

Segments

The Dene Nation conducts its business through 7 reportable segments:

- Administration - includes the administration and governance activities.
- Community Infrastructure - includes the operations and maintenance of the Dene Nation's buildings and infrastructure.
- Education - includes the operations of education programs.
- Health - includes the operations of health and community wellness programming.
- Capital - includes the operations and maintenance of all on reserve housing and capital construction.
- Social Development - includes all activities relating to income assistance for membership.
- Other Programs - includes all other band activities of the Dene Nation.

For each reported segment, revenue and expenses represent both amounts that are directly attributable 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. Inter program administration fees have been recorded based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.



Buffalo River Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

3. Significant accounting policies *(Continued from previous page)*

Use of estimates

The preparation of consolidated financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Deferred revenue is estimated based on management's understanding of the terms and conditions of the funding agreements entered into.

Legal provisions are recorded when the likelihood of loss and amount of settlement can be determined.

4. Accounts receivable

	2019	2018
Meadow Lake Tribal Council	94,345	70,315
Other	54,641	377,227
Indigenous Services Canada	30,000	-
Canada Mortgage Housing Corporation	29,083	49,083
	<hr/> 208,069	<hr/> 496,625



Buffalo River Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

5. Restricted cash

	2019	2018
Current:		
Capital projects bank	130,604	301,919
Long-term:		
CMHC replacement reserve guaranteed investment certificate	52,569	52,569
CMHC replacement reserve bank	30,717	72,821
CMHC operating reserve bank	22,390	31,399
	105,676	156,789
	236,280	458,708

6. Portfolio investments

	2019	2018
Measured at cost:		
Mudjatik Enterprises Joint Venture	7,400	7,400
First Nations Bank	940	940
MLTC Resource Development Limited Partnership	1	1
MLTC Resource Development Inc.	1	1
	8,342	8,342

7. Advances to Buffalo River Mini Mart & Gas Bar Inc.

The advance bears no interest and has no fixed terms of repayment. Buffalo River Mini Mart & Gas Bar Inc. is a wholly owned business of Buffalo River Dene Nation.

8. Investments in Nation business entities

The First Nation has investments in the following entities:

	<i>Opening</i>	<i>Share of earnings (loss)</i>	<i>Distributions</i>	<i>2019 Total investment</i>
Buffalo River Mini Mart & Gas Bar	802,902	(88,066)	(111,356)	603,480

Continued on next page



Buffalo River Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

8. Investments in Nation business entities *(Continued from previous page)*

Summary financial information for each First Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

<i>Buffalo River Mini Mart & Gas Bar Inc. As at March 31, 2019</i>	
Assets	
Guaranteed investment certificate	215,854
Trade and other receivables	459,089
Inventories	196,330
Prepaid expenses and deposits	14,928
Property and equipment	237,320
Total assets	1,123,521
Liabilities	
Bank indebtedness	133,151
Trade and other payables	183,128
Advances from related parties	203,762
Total liabilities	520,041
Total equity	603,480
Total revenue	4,712,169
Total expenses	4,800,235
Net loss	(88,066)

During the year, the First Nation purchased supplies from Buffalo River Mini Mart & Gas Bar at their exchange amount.

9. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Department of Indigenous Services Canada, with the consent of the First Nation's Council.

	2019	2018
Capital Trust		
Balance, beginning and end of year	31,881	31,881
Revenue Trust		
Balance, beginning of year	13,455	27,822
Interest	1,568	633
Less: Transfers to Nation	-	15,000
Balance, end of year	15,023	13,455
	46,904	45,336



Buffalo River Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

10. Bank indebtedness

Bank indebtedness is represented by bank balances less outstanding cheques. At March 31, 2019, the Dene Nation has a line of credit available of \$500,000 (2018 - \$500,000). At March 31, 2019, \$464,925 (2018 - \$nil) had been drawn against the line of credit. The line of credit charges interest at bank prime plus 2.00% and is secured by redirection of ISC funding.

11. Deferred revenue

Deferred revenues represent the amount of funds received by the Dene Nation that relate to the future fiscal periods or that must be spent on certain projects that are incomplete at year-end.

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Amounts received</i>	<i>Amounts expended in current year</i>	<i>Balance, end of year</i>
ISC - Water Treatment Plant	1,023,873	2,500,000	2,573,614	950,259
ISC - Fire Truck	5,154	-	5,154	-
ISC - School Crawl Space	76,897	2,500,000	2,435,696	141,201
ISC - New Elementary School	19,167	-	-	19,167
ISC - School Controls	22,710	-	-	22,710
ISC - Landfill	-	35,154	33,143	2,011
MLTC Program Services Inc. - CRIF	335,263	217,616	232,100	320,779
MLHSDA Inc. - Addictions	-	72,019	57,085	14,934
MLHSDA Inc. - Community Health Representative	-	120,871	102,794	18,077
MLHSDA Inc. - Diabetes	-	7,500	700	6,800
MLHSDA Inc. - Domestic Violence Prevention	-	18,016	-	18,016
MLHSDA Inc. - Health Co-ordinator	-	166,746	155,511	11,235
MLHSDA Inc. - Jordan's Principal	56,954	458,897	388,947	126,904
MLHSDA Inc. - Prenatal	-	15,099	4,108	10,991
	1,540,018	6,111,918	5,988,852	1,663,084



Buffalo River Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

12. Long-term debt

	2019	2018
First Nations Bank Consolidation Loan, interest at prime plus 2.90%, maturity date of April 2025 with interest paid monthly and principal of \$81,563 paid quarterly, secured by a general security agreement.	2,027,529	2,353,781
First Nations Bank Loan, to finance the purchase of equipment, interest at prime plus 1.90%, maturity date of March 2021, repayable in monthly principal payments of \$2,778 plus interest, secured by a general security agreement.	66,668	100,000
CMHC housing mortgage - Phase IV, interest at 1.05%, maturity date of May 2026, repayable in monthly principal and interest payments of \$1,576. Secured by a ministerial guarantee.	130,471	147,910
CMHC housing mortgage - Phase V, interest at 1.97%, maturity date of October 2027, repayable in monthly principal and interest payments of \$1,628. Secured by a ministerial guarantee.	154,221	170,559
CMHC housing mortgage - Phase VI, interest at 1.05%, maturity date of March 2030, repayable in monthly principal and interest payments of \$1,449. Secured by a ministerial guarantee.	180,625	196,038
CMHC housing mortgage - Phase VII, interest at 2.18%, maturity date of November 2028, repayable in monthly principal and interest payments of \$4,069. Secured by a ministerial guarantee.	425,327	464,454
CMHC housing mortgage - Phase VIII, interest at 1.23%, maturity date of May 2030, repayable in monthly principal and interest payments of \$3,042. Secured by a ministerial guarantee.	380,838	412,465
CMHC housing mortgage - Phase IX, interest at 2.13%, maturity date of October 2032, repayable in monthly principal and interest payments of \$15,531. Secured by a ministerial guarantee.	2,197,701	2,335,860
CMHC housing mortgage - mortgage advances towards completions of Phase X housing units. Terms to be established upon completion of construction. Secured by a ministerial guarantee.	145,031	-
CMHC housing mortgage - mortgage advances towards completions of Phase XI housing units. Terms to be established upon completion of construction. Secured by a ministerial guarantee.	131,871	-
First Nations Bank Loan, repaid during the year.	-	71,408
	5,840,282	6,252,475
Less: current portion	622,000	688,824
	5,218,282	5,563,651



Buffalo River Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

12. Long-term debt *(Continued from previous page)*

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2020	622,000
2021	627,000
2022	599,000
2023	604,000
2024	610,000

Long-term debt is subject to certain financial covenants with respect to timely submission of the annual audited consolidated financial statements to their lender as well as other restrictions that may be in place. As at March 31, 2019, the Dene Nation is not in compliance with all such covenants. It is management's opinion that the Dene Nation will not be subject to any restrictions in regards to their non-compliance.

13. Capital lease obligations

	2019	2018
National Leasing, for Grader purchased under capital lease, payable in equal monthly instalments of \$3,860 including interest at 6.20%, due April 2022, having a net book value of \$80,512 (2018 - \$134,817).	121,208	158,743
Mercado Capital Corporation, for Sanitation Truck purchased under capital lease, payable in equal monthly instalments of \$3,039 including interest at 8.39%, due March 2021, secured by equipment having a net book value of \$50,887 (2018 - \$84,812).	69,982	99,477
	191,190	258,220
Less: current portion	71,995	70,080
	119,195	188,140

Minimum lease payments related to the obligations under capital lease are as follows:

2020	82,786
2021	82,786
2022	39,951
	205,523
Less: imputed interest	14,333
	191,190
Balance of obligation	191,190
Less: current portion	71,995
	119,195



Buffalo River Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

14. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1. The Dene Nation has the following major capital projects in progress at March 31, 2019.

Project	Budget	Cumulative costs to March 31, 2019
WTP Upgrade (AT262)	8,785,000	7,471,941
School Crawl Space (AT284)	4,528,900	2,658,799
New Elementary School (AT319)	80,000	55,833
CMHC Phase X	-	378,320
Insurance Rebuild Costs	178,000	168,541

The First Nation holds works of art and historical treasures, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

15. Accumulated surplus

Accumulated surplus consists of the following:

	2019	2018
Equity in Ottawa Trust Funds	46,904	45,336
Equity in investments	611,822	811,244
Equity in CMHC reserves	688,032	649,410
Equity in tangible capital assets	22,366,708	17,565,829
Operating deficit	(5,616,281)	(4,439,595)
	18,097,185	14,632,224

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

The CMHC reserves are replacement and operating reserves required to be funded for future upgrades to existing CMHC housing units and finance any future operating deficits of the program as required by agreements with CMHC.



Buffalo River Dene Nation Notes to the Consolidated Financial Statements *For the year ended March 31, 2019*

16. Reconciliation of funding from Indigenous Services Canada

Funding per ISC confirmation	11,296,262
Add:	
Prior year unearned funding relating to capital projects	1,147,801
Less:	
Current year unearned funding relating to capital projects	1,135,348
Funding received subsequent to year-end included on ISC confirmation not earned	862,800
Funding reported per financial statements	<u>10,445,915</u>

17. Economic dependence

Buffalo River Dene Nation receives substantially all of its revenue from Indigenous Services Canada (ISC) as a result of Treaties entered into with the Crown, which also includes revenues received from Meadow Lake Tribal Council. These treaties are administered by ISC under the terms and conditions of the Indian Act. The treaty provisions under Treaty 10 include Education, Health, Hunting, Fishing and Gathering. The ability of the Dene Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

18. Budget information

The disclosed budget information was approved by the Chief and Council of Buffalo River Dene Nation at a meeting held in June 2018.

In preparation of the annual budget of the Dene Nation management does not budget for purchases of capital assets, amortization, principal payments on debt and distributions from investments in Nation business entities.

The budget process followed by management only includes activities directed by the Dene Nation. Management does not prepare a budget for capital projects administered through third party project managers.

19. Commitments

The Dene Nation received funding from Indigenous Services Canada for the construction of certain capital projects in the community. The Dene Nation is responsible to advance the money received on account of capital construction to the capital project bank account; to be administered by an independent project manager. At March 31, 2019 the Dene Nation operating account owes \$1,204,550 (\$860,000 - 2018) to the capital construction account.

20. Compliance with authorities

The First Nations Financial Transparency Act requires First Nations to make their financial statements publicly available and submit their consolidated statements to Indigenous Services Canada by July 29, 2019. As the audit is dated after July 29, 2019, the Dene Nation is in breach of this requirement.



Buffalo River Dene Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	<i>Infrastructure</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Equipment under capital lease</i>	<i>Assets under construction</i>	<i>2019</i>	<i>2018</i>
Cost							
Balance, beginning of year	6,126,315	32,110,840	1,906,502	350,398	5,253,763	45,747,818	39,929,311
Acquisition of tangible capital assets	17,930	-	65,857	-	5,632,671	5,716,458	6,483,095
Transfer of assets under construction	-	153,000	-	-	(153,000)	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	(664,588)
Balance, end of year	6,144,245	32,263,840	1,972,359	350,398	10,733,434	51,464,276	45,747,818
Accumulated amortization							
Balance, beginning of year	3,476,692	18,771,973	1,620,076	131,399	-	24,000,140	23,386,161
Annual amortization	117,616	753,468	134,802	87,599	-	1,093,485	1,038,725
Accumulated amortization on disposals	-	-	-	-	-	-	(424,746)
Balance, end of year	3,594,308	19,525,441	1,754,878	218,998	-	25,093,625	24,000,140
Net book value of tangible capital assets	2,549,937	12,738,399	217,481	131,400	10,733,434	26,370,651	21,747,678
Net book value of tangible capital assets	2,649,623	13,338,867	286,426	218,999	5,253,763	21,747,678	



Buffalo River Dene Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
Administration	40,184	-	-
Amortization	-	1,093,485	1,038,725
Assistance	66,400	1,813,889	1,883,703
Bank charges and interest	25,000	62,879	60,458
Contracted services	385,624	653,427	849,037
Cultural	1,000	101,626	47,402
Equipment lease	148,992	20,029	50,175
Equipment purchase	66,782	56,606	85,439
Fuel	38,000	66,880	40,214
Honouraria	368,160	341,611	352,291
Insurance	252,363	318,991	245,285
Interest on long-term debt	-	231,680	188,491
Meeting	11,800	2,944	11,523
Office supplies	74,276	110,469	91,201
Professional fees	163,500	372,247	385,456
Activities	214,485	307,183	257,282
Repairs and maintenance	233,734	173,668	460,175
Salaries and benefits	5,605,831	5,989,562	5,213,263
Student expenses	395,000	505,072	573,138
Supplies	771,704	305,476	530,124
Telephone	92,971	62,982	66,483
Training	49,075	20,849	33,625
Travel	362,634	835,938	946,825
Utilities	386,340	543,522	364,206
	9,753,855	13,991,015	13,774,521



**Buffalo River Dene Nation
Administration**

Schedule 3 - Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada	611,405	800,232	810,608
MLTC Program Services Inc.	125,337	367,748	334,669
Other revenue	146,178	142,749	336,112
Expense recoveries	25,100	25,791	59,735
Northern Lights Community Development Corporation	-	2,500	-
User fees	2,000	-	-
	910,020	1,339,020	1,541,124
Expenses			
Administration (recovery)	(110,220)	(222,808)	(175,984)
Assistance	30,000	56,911	17,674
Bank charges and interest	25,000	62,879	60,458
Contracted services	20,800	80,691	150,728
Equipment lease	30,000	13,291	36,989
Equipment purchase	-	-	8,677
Fuel	-	-	63
Honouraria	320,000	336,611	328,491
Meeting	2,000	714	594
Office supplies	19,500	40,439	30,019
Professional fees	163,500	362,841	356,110
Repairs and maintenance	10,000	3,251	10,490
Salaries and benefits	615,637	878,127	836,752
Supplies	9,500	35,072	6,586
Telephone	22,000	36,063	41,918
Training	2,500	-	-
Travel	128,500	438,125	499,755
Utilities	-	448	1,989
	1,288,717	2,122,655	2,211,309
Annual deficit	(378,697)	(783,635)	(670,185)



Buffalo River Dene Nation
Community Infrastructure

Schedule 4 - Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada	755,174	795,612	785,185
Other revenue	5,000	61,012	133,009
Rental income	45,300	34,896	36,460
Government of Saskatchewan	100,000	31,650	25,445
User fees	20,000	6,975	7,802
Expense recoveries	3,200	3,200	3,375
	928,674	933,345	991,276
Expenses			
Contracted services	119,668	236,144	323,332
Equipment lease	67,050	-	-
Equipment purchase	10,000	6,714	1,066
Fuel	35,000	64,146	38,633
Insurance	-	-	94,123
Interest on long-term debt	-	15,080	21,895
Office supplies	11,000	10,632	11,890
Repairs and maintenance	127,182	141,639	201,796
Salaries and benefits	513,985	535,041	377,664
Supplies	97,500	111,504	178,596
Telephone	7,500	9,193	6,471
Training	2,075	2,651	2,048
Travel	37,000	61,534	56,001
Utilities	345,840	498,937	321,602
	1,373,800	1,693,215	1,635,117
Annual deficit	(445,126)	(759,870)	(643,841)



Buffalo River Dene Nation

Education

Schedule 5 - Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada	2,988,402	3,004,904	2,817,031
MLTC Program Services Inc.	433,089	433,089	425,701
Northern Sports, Culture & Recreation District	43,050	53,850	58,600
Expense recoveries	20,000	40,974	9,782
	3,484,541	3,532,817	3,311,114
Expenses			
Assistance	1,800	1,800	1,700
Contracted services	50,500	53,223	133,863
Cultural	1,000	101,626	47,402
Equipment lease	42,560	6,738	10,916
Equipment purchase	32,784	22,839	47,690
Fuel	-	2,491	-
Honouraria	10,000	5,000	400
Insurance	3,604	1,326	4,717
Meeting	3,500	850	5,510
Office supplies	16,250	35,694	23,944
Professional fees	-	347	-
Activities	12,050	35,969	31,938
Repairs and maintenance	13,000	2,412	5,792
Salaries and benefits	2,930,258	2,774,679	2,449,036
Student expenses	395,000	505,072	573,138
Supplies	62,500	51,572	127,753
Telephone	16,776	8,021	9,350
Training	14,000	221	1,235
Travel	103,500	120,854	208,192
	3,709,082	3,730,734	3,682,576
Annual deficit before transfers	(224,541)	(197,917)	(371,462)
Transfers between programs	-	(80,494)	-
Annual deficit	(224,541)	(278,411)	(371,462)



Buffalo River Dene Nation

Health

Schedule 6 - Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
Revenue			
Meadow Lake Health & Social Development Authority Inc.	2,242,288	1,954,582	1,442,595
Meadow Lake Tribal Council CFS Inc.	231,245	291,711	231,245
Health Canada	81,000	84,459	97,539
Indigenous Services Canada	42,484	42,484	42,484
MLTC Program Services Inc.	12,000	18,016	14,676
Expense recoveries	10,764	36,951	-
Other revenue	44,911	42,411	13,927
	2,664,692	2,470,614	1,842,466
Expenses			
Administration	150,404	222,808	175,984
Amortization	-	34,752	34,752
Assistance	11,000	-	-
Contracted services	73,643	133,968	119,908
Equipment lease	9,382	-	2,270
Equipment purchase	21,498	18,424	23,808
Honouraria	200	-	-
Insurance	10,068	12,005	4,741
Interest on long-term debt	-	-	465
Meeting	-	-	100
Office supplies	27,526	23,514	20,777
Professional fees	-	300	5,523
Activities	177,435	270,164	215,085
Repairs and maintenance	29,305	5,887	89,391
Salaries and benefits	1,269,696	1,468,091	1,120,796
Supplies	79,788	31,972	46,066
Telephone	45,695	9,705	8,744
Training	30,500	17,777	29,995
Travel	72,710	141,937	124,059
Utilities	39,500	35,590	27,130
	2,048,350	2,426,894	2,049,594
Annual surplus (deficit) before transfers	616,342	43,720	(207,128)
Transfers between programs	-	-	60,000
Annual surplus (deficit)	616,342	43,720	(147,128)



Buffalo River Dene Nation
Capital

Schedule 7 - Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada	242,608	5,642,262	4,255,872
Canada Mortgage and Housing Corporation	-	378,428	498,468
Expense recoveries	-	113,796	103,575
Rental income	-	68,137	80,229
	242,608	6,202,623	4,938,144
Expenses			
Amortization	-	1,058,733	1,003,973
Contracted services	43,922	34,091	10,668
Equipment purchase	-	7,850	-
Fuel	-	-	66
Insurance	228,482	295,450	136,789
Interest on long-term debt	-	216,600	166,131
Office supplies	-	146	4,571
Professional fees	-	8,759	-
Repairs and maintenance	54,247	19,387	151,758
Supplies	5,000	8,429	91,170
Travel	1,000	5,285	10,670
Utilities	-	8,547	13,485
	332,651	1,663,277	1,589,281
Annual surplus (deficit) before other item	(90,043)	4,539,346	3,348,863
Other income			
Gain on disposal of capital assets	-	-	371,011
Annual surplus (deficit)	(90,043)	4,539,346	3,719,874



Buffalo River Dene Nation
Other Programs

Schedule 8 - Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
Revenue			
MLTC Program Services Inc.	266,060	272,667	259,867
Meadow Lake Health & Social Development Authority Inc.	15,450	15,450	-
Investment income	-	457,947	171,379
First Nations Trust	493,495	442,067	459,631
Other revenue	1,500	112,372	325,781
Rental income	36,000	42,600	39,892
Earnings from investment in Nation business entities	400,000	(88,066)	175,543
Expense recoveries	36,148	3,763	-
Northern Lights Community Development Corporation	-	-	97,787
Government of Saskatchewan	25,875	-	21,948
	1,274,528	1,258,800	1,551,828
Expenses			
Assistance	23,600	182,454	130,141
Contracted services	65,000	111,000	103,513
Equipment purchase	2,500	-	-
Fuel	3,000	243	1,452
Honouraria	14,560	-	-
Insurance	10,210	10,210	4,915
Meeting	6,300	1,380	5,319
Office supplies	-	44	-
Professional fees	-	-	23,823
Activities	25,000	1,050	-
Repairs and maintenance	-	1,092	948
Salaries and benefits	242,665	277,048	335,732
Supplies	472,416	4,425	50,414
Telephone	1,000	-	-
Travel	19,924	68,083	48,038
Utilities	1,000	-	-
	887,175	657,029	704,295
Annual surplus	387,353	601,771	847,533



**Buffalo River Dene Nation
Social Development**

Schedule 9 - Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Budget (Note 18)	2019 Actual	2018 Actual
Revenue			
MLTC Program Services Inc.	-	1,558,336	1,685,045
Indigenous Services Canada	160,421	160,421	218,877
MLTC - MCARR	-	-	9,659
Other revenue	-	-	5,264
	160,421	1,718,757	1,918,845
Expenses			
Assistance	-	1,572,724	1,734,188
Contracted services	12,091	4,310	7,025
Equipment purchase	-	779	4,198
Honouraria	23,400	-	23,400
Activities	-	-	10,259
Salaries and benefits	33,589	56,576	93,283
Supplies	45,000	62,502	29,539
Training	-	200	347
Travel	-	120	110
	114,080	1,697,211	1,902,349
Annual surplus before transfers	46,341	21,546	16,496
Transfers between programs	-	80,494	(60,000)
Annual surplus (deficit)	46,341	102,040	(43,504)