

# **Clearwater River Dene Nation**

Consolidated Financial Statements  
**March 31, 2019**

## **Management's Responsibility for the Consolidated Financial Statements**

October 18, 2019

The accompanying consolidated financial statements of Clearwater River Dene Nation are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments and as such include amounts that are the best estimates and judgments of management.


Management is responsible for the integrity and objectivity of these consolidated financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

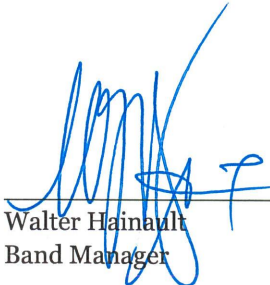
The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council meets periodically with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, PricewaterhouseCoopers LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Clearwater River Dene Nation and meet when required.

On behalf of Clearwater River Dene Nation:

  
\_\_\_\_\_  
Teddy Clark  
Chief

  
\_\_\_\_\_  
Walter Hainault  
Band Manager



## *Independent auditor's report*

To the Chief and Council of Clearwater River Dene Nation

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### *Our opinion*

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Clearwater River Dene Nation and its subsidiary (together, the Entity) as at March 31, 2019 and the results of its operations, changes in its net financial assets, its remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### **What we have audited**

The Entity's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2019;
- the consolidated statement of changes in net financial assets for the year then ended;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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### *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.



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### *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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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### *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 Entity'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 Entity'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 Entity 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 Entity 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.

*PricewaterhouseCoopers LLP*


Chartered Professional Accountants

Saskatoon, Saskatchewan  
October 18, 2019

**Clearwater River Dene Nation**  
**Consolidated Statement of Financial Position**  
**For the year ended March 31, 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Restricted cash	425,021	1,019,181
Accounts receivable (note 3)	193,678	419,570
Trust funds held by federal government (note 4)	40,946	39,172
Portfolio investments (note 5)	11,343	11,343
Investments in government business enterprises (note 6)	21,847,351	21,584,938
	<u>22,518,339</u>	<u>23,074,204</u>
<b>Financial liabilities</b>		
Bank overdrafts	1,820,556	1,313,093
Accounts payable and accrued liabilities	989,988	1,974,216
Notes payable and long-term debt (note 7)	931,884	1,318,020
Deferred revenue (note 9)	2,108,986	2,142,664
	<u>5,851,414</u>	<u>6,747,993</u>
<b>Net financial assets</b>	<u>16,666,925</u>	<u>16,326,211</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 14)	25,958,519	24,469,092
Prepaid expenses	158,912	147,188
	<u>26,117,431</u>	<u>24,616,280</u>
<b>Accumulated surplus (note 8)</b>	<u>42,784,356</u>	<u>40,942,491</u>

**Approved by Band Council**

\_\_\_\_\_  
 Chief \_\_\_\_\_ Councillor

The accompanying notes are an integral part of these financial statements.

The accompanying notes are an integral part of these consolidated financial statements.

# Clearwater River Dene Nation

## Consolidated Statement of Changes in Net Financial Assets

For the year ended March 31, 2019

	<b>Budget</b> <b>\$</b> (unaudited)	<b>2019</b> <b>\$</b>	<b>2018</b> <b>\$</b>
<b>Annual surplus (deficit)</b>	1,969,400	1,841,865	(451,134)
Acquisition of tangible capital assets	(1,969,400)	(2,610,983)	(1,291,544)
Amortization of tangible capital assets	-	1,121,556	976,446
Net change in prepaid expenses	-	(11,724)	(54,492)
	<u>(1,969,400)</u>	<u>(1,501,151)</u>	<u>(369,590)</u>
<b>Net change in net financial assets</b>	-	340,714	(820,724)
<b>Net financial assets – Beginning of year</b>	16,326,211	16,326,211	17,146,935
<b>Net financial assets – End of year</b>	<u>16,326,211</u>	<u>16,666,925</u>	<u>16,326,211</u>

# Clearwater River Dene Nation

## Consolidated Statement of Operations

For the year ended March 31, 2019

	Budget \$ (Unaudited)	2019 \$	2018 \$
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	12,218,820	12,802,011	11,102,534
Meadow Lake Tribal Council	2,081,260	2,065,026	1,797,873
Health Canada	2,193,645	2,049,057	1,537,206
First Nations Trust Gaming	665,349	665,348	648,280
Minister of Public Safety	438,482	438,482	417,993
Northern Lights Community Development	-	58,259	136,543
Northern Lights School Division	125,000	125,000	125,000
Fundraising	-	38,520	87,643
Rent	-	58,200	74,700
The Northern Village of LaLoche	50,000	50,000	50,000
Saskatchewan Lotteries	-	7,850	7,719
LaLoche Friendship Centre	-	86,117	78,116
Insurance proceeds	-	485,891	-
Expense recoveries and other income	-	243,823	228,389
	17,772,556	19,173,584	16,291,996
<b>Expenses</b> (note 13)			
Education	4,706,780	4,492,852	4,372,049
Community development	1,517,277	4,143,314	3,231,176
Indian Government support	1,145,714	3,238,017	3,596,665
Social development	5,141,213	2,583,988	2,501,349
Health	3,221,555	2,613,110	2,090,248
Economic development	70,617	22,530	68,327
	15,803,156	17,093,811	15,859,814
<b>Annual surplus (deficit) before the following</b>	1,969,400	2,079,773	432,182
Limited partnership equity earnings	-	883,648	93,130
Amortization of tangible capital assets	-	(1,121,556)	(976,446)
<b>Annual surplus (deficit)</b>	1,969,400	1,841,865	(451,134)
<b>Accumulated surplus – Beginning of year</b>	40,942,491	40,942,491	41,393,625
<b>Accumulated surplus – End of year</b>	42,911,891	42,784,356	40,942,491
<b>Segment disclosure</b> (note 16)			

The accompanying notes are an integral part of these consolidated financial statements.



# Clearwater River Dene Nation

## Consolidated Statement of Cash Flows

For the year ended March 31, 2019

	2019 \$	2018 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	1,841,865	(451,134)
Items not affecting cash		
Amortization of tangible capital assets	1,121,556	976,446
Limited partnership equity earnings	(883,648)	(93,130)
Net change in non-cash items on statement of financial position		
Accounts receivable	225,892	13,890
Trust funds	(1,774)	(821)
Prepaid expenses	(11,724)	(54,492)
Accounts payable and accrued liabilities	(984,228)	139,635
Deferred revenue	(33,678)	591,261
	<u>1,274,261</u>	<u>1,121,655</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	<u>(2,610,983)</u>	<u>(1,291,544)</u>
<b>Investing activities</b>		
Limited partnership distribution	<u>621,235</u>	<u>473,320</u>
<b>Financing activities</b>		
Debt repayments	<u>(386,136)</u>	<u>(326,114)</u>
<b>Net change in net cash</b>	<u>(1,101,623)</u>	<u>(22,683)</u>
<b>Net cash – Beginning of year</b>	<u>(293,912)</u>	<u>(271,229)</u>
<b>Net cash – End of year</b>	<u>(1,395,535)</u>	<u>(293,912)</u>
<b>Net cash consists of the following:</b>		
Restricted cash	425,021	1,019,181
Bank overdrafts	<u>(1,820,556)</u>	<u>(1,313,093)</u>
	<u>(1,395,535)</u>	<u>(293,912)</u>

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

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### 1 Reporting entity

The Clearwater River Dene Nation (the “Dene Nation”) is located in the province of Saskatchewan, and provides various services to its members. The Dene Nation includes its members, administration and all related entities that are accountable to the Dene Nation and are either owned or controlled by the Dene Nation.

### 2 Summary of accounting policies

#### Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as prescribed for governments by the Public Sector Accounting Board.

#### Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount 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. Items requiring the use of significant estimates include the useful life of tangible capital assets and provisions for uncollectible accounts receivable. Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

#### Revenue recognition

Funding received under the terms of an agreement is recognized as revenue when related expenditures are made and the balance of funding has been received or is receivable. Revenue received under funding arrangements which relate to subsequent fiscal periods is reflected as deferred revenue in the year of receipt. Other revenues are recognized as services are provided.

#### Portfolio investments

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

#### Cash and bank overdrafts

Cash includes cash on hand and balances with banks. Cash and bank overdrafts are presented in a net position on the consolidated statement of financial position and are considered a component of net cash for purposes of the consolidated statement of cash flows.

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

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### 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 a government business enterprise or government business partnership, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the First Nation's investment in the commercial enterprise and the enterprise's net income (or net loss) and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation.

Organizations consolidated in the First Nation's financial statements include the Armand Bekkattla Treatment Centre Inc. Organizations accounted for on a modified equity basis include the following:

- Clearwater River Development Corp.
- MLTC Resource Development Limited Partnership
- Robwel Constructors Limited Partnership
- IWL Steel Fabricators Limited Partnership
- Clearwater River Enviro Limited Partnership
- Clearwater Pipe Rentals Limited Partnership

### Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost 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 constructions of the asset. Amortization is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

Housing	25 years
Buildings	20 to 70 years
Infrastructure	5 to 45 years
General equipment	5 years
Roads	35 years
Trailers and machinery	20 years
Vehicles	4 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the 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.

Assets under construction are not amortized until the asset is available to be put into service.

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

### Financial instruments

The Dene Nation recognizes and measures its financial assets and liabilities as follows: cash, accounts receivable, restricted trust, bank indebtedness, portfolio investments, other investments, notes payable and long-term debt, deferred revenue, accounts payable and accrued liabilities are initially recorded at fair value. All financial assets and liabilities are subsequently measured at amortized cost. Interest attributable to financial instruments is reported in the consolidated statement of operations. Financial assets are tested for impairment at the end of each reporting period when there are indications that an asset may be impaired. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations.

### 3 Accounts receivable

	2019 \$	2018 \$
Health Canada	-	44,977
Ministry of Public Safety	-	91,254
Northern Lights Community Development Corporation	112,447	80,454
Mudjatik Enterprises	-	61,464
Other	23,789	11,295
Meadow Lake Tribal Council	57,442	21,648
101077233 Saskatchewan Ltd.	-	18,990
PR Service Partnership	-	19,200
Areva	-	50,000
LaLoche Friendship Centre	-	20,288
	<u>193,678</u>	<u>419,570</u>

### 4 Trust funds held by federal government

	March 31, 2018 \$	Additions \$	Withdrawals \$	March 31, 2019 \$
Revenue	20,482	1,774	-	22,256
Capital	18,690	-	-	18,690
	<u>39,172</u>	<u>1,774</u>	<u>-</u>	<u>40,946</u>

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

	March 31, 2017 \$	Additions \$	Withdrawals \$	March 31, 2018 \$
Revenue	19,661	821	-	20,482
Capital	18,690	-	-	18,690
	38,351	821	-	39,172

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

## 5 Portfolio investments

The Dene Nation has the following investments:

	2019 \$	2018 \$
Meadow Lake Co-op	10,000	10,000
First Nations Bank		
- 537 common shares	940	940
MLTC Program Services Inc.		
- 1 Class A common share (11% ownership)	1	1
MLTC Resource Development Management Corp.		
- 1 Class A common share (11% ownership)	1	1
MLTC Resource Development Inc.		
- 1 Class A common share (11% ownership)	1	1
IWL Steel Fabricators Inc.		
- Share capital	100	100
Robwel Constructors Inc.		
- Share capital	100	100
Clearwater Enviro Inc.		
- Share capital	100	100
Clearwater Pipe Rentals Inc.		
- Share capital	100	100
	11,343	11,343

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

### 6 Investments in government business enterprises

The Dene Nation has investments in the following entities:

						2019
	Investment balance, beginning of year \$	Withdrawals \$	Contributions \$	Share of earnings (loss) \$	Adjustments /purchase price amortization \$	Investment balance, end of year \$
<b>Businesses</b>						
IWL Steel Fabricators Limited Partnership – 99.99%	6,403,691	-	-	977,575	(129,988)	7,251,278
Robwel Constructors LP – 99.99%	6,937,556	(1,752)	-	(445,148)	(12,736)	6,477,920
Clearwater River Enviro LP – 99.99%	1,550,013	-	-	(367,656)	-	1,182,357
Clearwater Pipe Rentals LP – 79.99%	1	-	-	-	-	1
MLTC Resource Development LP – 11.11%	5,873,783	(366,000)	-	887,339	(60,644)	6,334,478
Clearwater River Development Corp. – 100%	819,894	(253,483)	-	34,906	-	601,317
	<u>21,584,938</u>	<u>(621,235)</u>	<u>-</u>	<u>1,087,016</u>	<u>(203,368)</u>	<u>21,847,351</u>

						2018
	Investment balance, beginning of year \$	Withdrawals \$	Contributions \$	Share of earnings (loss) \$	Adjustments /purchase price amortization \$	Investment balance, end of year \$
<b>Businesses</b>						
IWL Steel Fabricators Limited Partnership – 99.99%	6,506,463	-	-	27,216	(129,988)	6,403,691
Robwel Constructors LP – 99.99%	7,505,567	(50,000)	-	(518,011)	-	6,937,556
Clearwater River Enviro LP – 99.99%	1,794,484	-	-	(244,471)	-	1,550,013
Clearwater Pipe Rentals LP – 79.99%	1	-	-	-	-	1
MLTC Resource Development LP – 11.11%	5,138,496	-	-	735,287	-	5,873,783
Clearwater River Development Corp. – 100%	1,020,117	(423,319)	-	223,096	-	819,894
	<u>21,965,128</u>	<u>(473,319)</u>	<u>-</u>	<u>223,117</u>	<u>(129,988)</u>	<u>21,584,938</u>

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

The following table presents condensed financial information for those commercial enterprises, which are accounted for using the modified equity method.

	Clearwater Group of Companies		MLTC Resource Development LP		Clearwater River Development Corp.	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Cash	322,578	168,817	2,722,057	1,728,354	1,545	1,545
Accounts receivable	3,105,108	2,400,692	8,822,406	8,741,830	-	-
Capital assets	12,484,876	13,283,465	43,484,218	40,238,278	65,000	65,000
Other assets	5,450,644	5,537,981	31,661,203	32,660,998	706,950	721,746
	21,363,206	21,390,955	86,689,884	83,369,460	773,495	788,291
Accounts payable	2,692,402	1,964,206	5,698,363	11,517,131	-	-
Long term debt	1,634,253	4,564,612	20,394,792	13,771,107	-	-
Other liabilities	2,064,648	-	3,390,219	5,221,889	-	-
	6,391,303	6,528,818	29,483,374	30,510,127	-	-
Net assets	14,971,903	14,862,137	57,206,510	52,859,333	773,495	788,291
Total revenue	23,061,019	17,940,387	84,274,547	58,717,336	207,084	223,096
Total expenses	22,944,133	18,887,770	76,643,370	52,099,088	-	-
Net income/(loss)	116,886	(947,383)	7,631,177	6,618,248	207,084	223,096

The Clearwater Group of Companies includes IWL Steel Fabricators LP, Robwel Constructors LP, Clearwater River Enviro LP, and Clearwater Pipe Rentals LP.

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

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Contracted debt repayments for the commercial enterprises owed to external organizations in each of the next five year are as follows:

	\$
2020	4,550,715
2021	154,551
2022	156,439
2023	299,156
2024	114,552
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	5,275,413
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### 7 Notes payable and long-term debt

	2019 \$	2018 \$
Royal Bank #25 (housing/firehall) with quarterly payments of \$31,574 including interest prime plus 1.50%	239,114	349,045
Royal Bank (vehicle) with monthly payments of \$755 plus interest at the bank's prime plus 1.65%	-	4,485
Royal Bank (housing/renovations) with quarterly payments of \$62,500 plus interest monthly at the bank's prime plus 2%	687,500	937,500
Royal Bank term loan payable in monthly payments of \$1,810 including interest at the bank's prime plus 1.50%	5,270	26,990
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	931,884	1,318,020
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The estimated principal repayments due in each of the next three years are as follows:

	\$
2020	370,069
2021	371,186
2022	190,627



# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

### 8 Accumulated surplus

	2019 \$	2018 \$
Internally restricted		
Invested in tangible capital assets	25,958,519	24,469,092
Less: Capital debt	(931,884)	(1,291,030)
Invested in business investments	21,847,351	21,596,281
Externally restricted		
Trust funds	40,946	39,172
Unrestricted accumulated deficit	(4,130,576)	(3,871,024)
Accumulated surplus	42,784,356	40,942,491

### 9 Deferred revenue

	Balance at March 31, 2018 \$	Funding Deferred \$	Revenue Recognized \$	Balance at March 31, 2019 \$
INAC	1,789,241	12,219,089	12,809,280	1,199,050
Meadow Lake Tribal Council	38,785	2,146,280	2,076,946	108,119
Northern Lights Community Development Corporation	35,994	115,156	58,259	92,891
Health Canada	278,644	1,275,761	845,479	708,926
	2,142,664	15,756,286	15,789,964	2,108,986

### 10 Economic dependence

The Dene Nation's existence as a going concern is dependent upon its ability to receive continued financial support from its funding agencies. If, as a result of a default or otherwise, the support of Indigenous Services Canada is withdrawn, the Dene Nation may be unable to continue realizing its assets and discharging its liabilities in the normal course of business. These consolidated financial statements have been prepared on the basis that the Dene Nation will receive continued financial support.

### 11 Budget amounts

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates provided by the management of the Dene Nation.

# **Clearwater River Dene Nation**

## **Notes to Consolidated Financial Statements**

**March 31, 2019**

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### **12 Risk management**

#### **Credit risk**

The Dene Nation's financial assets, including accounts receivable, are not exposed to significant credit risk.

#### **Liquidity risk**

Liquidity risk is the risk that the Dene Nation will not be able to meet its financial obligations as they become due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The Dene Nation is exposed to liquidity risk as a result of being economically dependent on funding from Indigenous and Northern Affairs Canada. The Dene Nation approach to managing liquidity is to ensure that it has sufficient cash flows available to fund its operations and to meet its obligations when due, under both normal and stressed conditions.

#### **Interest risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

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### 13 Expense type

	2019 \$	2018 \$
Wages	5,768,653	5,419,313
Member assistance	2,100,364	2,023,780
Travel	873,607	839,822
Honorarium	793,738	792,946
Post secondary	634,533	750,092
Repairs and maintenance	612,452	661,225
Materials	1,002,084	659,485
Benefits	551,456	646,687
Contractor	952,999	634,814
Utilities	762,328	563,011
Supplies	814,552	528,847
Cultural activities	261,353	400,907
Professional fees	391,129	338,846
Vehicle	318,087	306,084
Administration	225,822	262,062
Office supplies	296,047	208,013
Insurance	144,120	130,854
Telephone	120,944	127,921
Bank charges and interest	54,904	113,198
Fuel	96,208	89,304
Training	46,854	76,093
Security	103,752	67,486
Other	112,294	62,776
Equipment rental	7,217	49,802
Funerals	39,564	43,578
Transportation	8,750	42,198
Freight	-	20,670
	<u>17,093,811</u>	<u>15,859,814</u>

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2017

### 14 Tangible capital assets

	Cost				Accumulated amortization				2019
	Beginning of year \$	Additions \$	Transfers \$	End of year \$	Beginning of year \$	Additions \$	Disposals \$	End of year \$	Net \$
Buildings	16,600,510	45,000	1,828,000	18,473,510	4,805,149	315,299	-	5,120,448	13,353,062
Teacherages	595,088	-	-	595,088	95,214	23,804	-	119,018	476,070
Trailers	349,570	-	-	349,570	320,139	14,715	-	334,854	14,716
Vehicles	1,103,520	99,582	-	1,203,102	934,264	147,988	-	1,082,252	120,850
Equipment	727,559	105,427	-	832,986	680,431	52,399	-	732,830	100,156
Roads / culverts	378,433	-	-	378,433	357,638	1,095	-	358,733	19,700
Paved roads	771,125	-	-	771,125	145,696	19,483	-	165,179	605,946
Heavy equipment	270,754	-	-	270,754	218,754	6,500	-	225,254	45,500
Houses	8,144,556	-	1,770,000	9,914,556	5,822,157	343,628	-	6,165,785	3,748,771
Infrastructure	9,394,200	-	-	9,394,200	4,084,781	196,645	-	4,281,426	5,112,774
Construction in progress	3,598,000	2,360,974	(3,598,000)	2,360,974	-	-	-	-	2,360,974
	41,933,315	2,610,983	-	44,544,298	17,464,223	1,121,556	-	18,585,779	25,958,519

	Cost				Accumulated amortization				2018
	Beginning of year \$	Additions \$	Disposals \$	End of year \$	Beginning of year \$	Additions \$	Disposals \$	End of year \$	Net \$
Buildings	16,600,510	-	-	16,600,510	4,518,215	286,934	-	4,805,149	11,795,361
Teacherages	595,088	-	-	595,088	71,410	23,804	-	95,214	499,874
Trailers	349,570	-	-	349,570	305,424	14,715	-	320,139	29,431
Vehicles	993,121	110,399	-	1,103,520	811,172	123,092	-	934,264	169,256
Equipment	701,414	26,145	-	727,559	649,081	31,350	-	680,431	47,128
Roads / culverts	378,433	-	-	378,433	356,543	1,095	-	357,638	20,795
Paved roads	771,125	-	-	771,125	126,213	19,483	-	145,696	625,429
Heavy equipment	270,754	-	-	270,754	212,254	6,500	-	218,754	52,000
Houses	8,144,556	-	-	8,144,556	5,549,329	272,828	-	5,822,157	2,322,399
Infrastructure	9,394,200	-	-	9,394,200	3,888,136	196,645	-	4,084,781	5,309,419
Construction in progress	2,443,000	1,155,000	-	3,598,000	-	-	-	-	3,598,000
	40,641,771	1,291,544	-	41,933,315	16,487,777	976,446	-	17,464,223	24,469,092

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

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### 15 Segment disclosure

The Dene Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by department. The segments of the Dene Nation and the services provided by each are as follows:

- Indian Government Support – handles the finances and administration of the Dene Nation including support to Chief and Council and all other departments. The department provides internal support and central services to ensure the efficient and effective operations of the Dene Nation.
- Education – provides a variety of services for students from nursery school to a complete grade 12 that meets all provincial criteria with a cultural influence that reflects the Dene Nation's identity. The department includes a nutrition program, student counselling services, a resource centre, a Cree language and culture program, and a community school program.
- Community Development – this department includes operating and maintenance of various facilities operated by the Dene Nation. Additionally this department includes capital and water projects.
- Economic Development – represents a variety of programs aimed at improving the economic environment in the community.
- Social Development – various social initiatives including adult care that require government funding.
- Health – offers community based programs aimed towards the well-being and health of the Dene Nation's residents. The Dene Nation operates community care programs, prevention programs and other community based health initiatives, including the Armand Bekkattla Treatment Centre Inc.

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

	Education			Community Development			Indian Government Support		
	Budget (Unaudited)	2019	2018	Budget (Unaudited)	2019	2018	Budget (Unaudited)	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue:</b>									
Indigenous and Northern Affairs Canada	5,775,330	4,893,481	4,574,250	1,050,637	890,213	2,364,646	1,286,161	1,089,774	926,316
Meadow Lake Tribal Council	437,060	431,950	429,746	269,639	266,486	209,649	234,573	231,830	171,846
Health Canada	-	-	-	1,227,411	2,476,911	-	-	-	-
First Nations Trust Gaming	-	-	-	-	-	-	-	-	-
Northern Lights Community Development	-	-	-	-	-	136,543	-	-	-
Northern Lights School Division	-	-	125,000	-	-	-	-	-	-
Ministry of Public Safety	-	-	-	-	-	417,993	-	-	-
Other Revenue	4,366	190,232	74,911	15,235	663,827	73,762	14,342	624,894	262,033
<b>Total</b>	<b>6,216,756</b>	<b>5,515,663</b>	<b>5,203,907</b>	<b>2,562,922</b>	<b>4,297,437</b>	<b>3,202,593</b>	<b>1,535,076</b>	<b>1,946,498</b>	<b>1,360,195</b>
<b>Expenses:</b>									
Wages and Benefits	2,885,635	2,767,565	2,765,530	524,819	1,433,153	1,195,061	260,517	736,269	739,668
Supplies Expenses	349,358	335,064	309,669	91,969	251,146	77,149	6,584	18,609	263,648
Member Assistance	22,242	21,332	-	17,523	47,852	27,973	-	-	-
Vehicle/Equipment Expenses	138,680	133,006	84,913	140,742	384,331	610,751	163,692	462,627	346,377
Facilities	193,444	185,529	198,387	417,526	1,140,162	291,873	8,874	25,080	220,785
Other Operating Expenses	195,319	187,327	21,055	24,797	67,714	690,344	34,811	98,384	350,695
Administrative Expenses	257,771	247,224	242,401	167,000	456,037	333,884	427,679	1,208,707	1,650,854
Personnel Expenses	664,331	637,149	750,092	132,901	362,918	4,141	243,557	688,341	24,640
<b>Total</b>	<b>4,706,780</b>	<b>4,514,196</b>	<b>4,372,047</b>	<b>1,517,277</b>	<b>4,143,313</b>	<b>3,231,176</b>	<b>1,145,714</b>	<b>3,238,017</b>	<b>3,596,667</b>
<b>Surplus (deficit) for the year</b>	<b>1,509,976</b>	<b>1,001,467</b>	<b>831,860</b>	<b>1,045,645</b>	<b>154,124</b>	<b>(28,583)</b>	<b>389,362</b>	<b>(1,291,519)</b>	<b>(2,236,472)</b>

## Clearwater River Dene Nation

Notes to Consolidated Financial Statements

March 31, 2019

	Social Development			Health		
	Budget (Unaudited) \$	2019 \$	2018 \$	Budget (Unaudited) \$	2019 \$	2018 \$
<b>Revenue:</b>						
Indigenous and Northern Affairs Canada	4,106,692	3,479,631	3,237,322	-	-	-
Meadow Lake Tribal Council	207,779	205,350	203,358	860,757	850,693	712,386
Health Canada	-	-	-	966,234	1,949,856	1,537,206
First Nations Trust Gaming	-	-	648,280	665,349	86,117	-
Northern Lights Community Development	-	-	-	-	2,100	-
Northern Lights School Division	-	-	-	125,000	6,000	-
Ministry of Public Safety	-	-	-	438,482	63,982	-
Other Revenue	15,766	686,957	56,854	62	2,683	49,007
<b>Total</b>	<b>4,330,237</b>	<b>4,371,938</b>	<b>4,145,814</b>	<b>3,055,884</b>	<b>2,961,431</b>	<b>2,298,599</b>
<b>Expenses:</b>						
Wages and Benefits	497,950	253,392	205,823	1,421,924	1,129,729	1,159,918
Supplies Expenses	3,649,500	1,857,118	3,331	473,239	375,992	83,063
Member Assistance	-	-	1,995,807	17,622	14,001	-
Vehicle/Equipment Expenses	142,825	72,679	10,052	105,731	84,004	54,322
Facilities	19,868	10,110	75,992	278,721	221,446	102,236
Other Operating Expenses	35,832	18,234	18,965	661,372	525,465	113,917
Administrative Expenses	737,860	375,474	191,380	229,790	182,570	563,479
Personnel Expenses	57,378	29,198	-	33,156	26,343	13,312
<b>Total</b>	<b>5,141,213</b>	<b>2,616,205</b>	<b>2,501,350</b>	<b>3,221,555</b>	<b>2,559,550</b>	<b>2,090,247</b>
<b>Surplus (deficit) for the year</b>	<b>(810,976)</b>	<b>1,755,733</b>	<b>1,644,464</b>	<b>(165,671)</b>	<b>401,881</b>	<b>208,352</b>

# Clearwater River Dene Nation

## Notes to Consolidated Financial Statements

March 31, 2019

	Economic Development			Total		
	Budget (Unaudited)	2019	2018	Budget (Unaudited)	2019	2018
	\$	\$	\$	\$	\$	\$
<b>Revenue:</b>						
Indigenous and Northern Affairs Canada	-	-	-	12,218,820	10,353,099	11,102,534
Meadow Lake Tribal Council	71,452	70,617	70,888	2,081,260	2,056,926	1,797,873
Health Canada	-	-	-	2,193,645	4,426,767	1,537,206
First Nations Trust Gaming	-	-	-	665,349	86,117	648,280
Northern Lights Community Development	-	-	-	-	2,100	136,543
Northern Lights School Division	-	-	-	125,000	6,000	125,000
Ministry of Public Safety	-	-	-	438,482	63,982	417,993
Other Revenue	230	10,000	10,000	50,000	2,178,593	526,567
<b>Total</b>	<b>71,682</b>	<b>80,617</b>	<b>80,888</b>	<b>17,772,556</b>	<b>19,173,584</b>	<b>16,291,996</b>
<b>Expenses:</b>						
Wages and Benefits	-	-	-	5,590,845	6,320,108	6,066,000
Supplies Expenses	-	-	-	4,570,650	2,837,929	736,860
Member Assistance	-	-	-	57,387	83,185	2,023,780
Vehicle/Equipment Expenses	6,582	2,100	-	698,252	1,138,747	1,106,415
Facilities	64,035	20,430	-	982,468	1,602,757	889,273
Other Operating Expenses	-	-	-	952,131	897,124	1,194,976
Administrative Expenses	-	-	34,327	1,820,100	2,470,012	3,016,325
Personnel Expenses	-	-	34,000	1,131,323	1,743,949	826,185
<b>Total</b>	<b>70,617</b>	<b>22,530</b>	<b>68,327</b>	<b>15,803,156</b>	<b>17,093,811</b>	<b>15,859,814</b>
<b>Surplus (deficit) for the year</b>	<b>1,065</b>	<b>58,087</b>	<b>12,561</b>	<b>1,969,400</b>	<b>2,079,773</b>	<b>432,182</b>