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Driftpile Cree Nation

Consolidated Financial Statements

March 31, 2019

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Driftpile Cree Nation

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Driftpile Cree Nation

Management's Responsibility for Financial Reporting

March 31, 2019

The accompanying consolidated financial statements of Driftpile Cree Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

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

The 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 Council meets periodically with management, as well as 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, Crowe MacKay 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 Driftpile Cree Nation and meet when required.

On behalf of Driftpile Cree Nation:

Original signed by _____
Chief

July 25, 2019
Date

Original signed by _____
Councilor

July 25, 2019
Date

Original signed by _____

July 25, 2019
Date

Independent Auditors' Report

To the Members of Driftpile Cree Nation

Opinion

We have audited the consolidated financial statements of Driftpile Cree 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 financial assets (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.

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.

Edmonton, Canada
July 25, 2019

Crowe MACKAY LLP
Chartered Professional Accountants

Driftpile Cree Nation

Consolidated Statement of Financial Position

March 31 2019 2018

Financial Assets

Cash (Note 2)	\$ 1,523,014	\$ 1,439,778
Accounts receivable (Note 3)	1,100,805	1,326,335
Investments (Note 4)	5,838	5,838
Investment in and advances to Driftpile Entities (Note 5)	1,545,814	2,003,607
Ottawa Trust Funds (Note 6)	1,146,331	1,103,349
	5,321,802	5,878,907

Liabilities

Operating loan (Note 7)	200,000	200,000
Accounts payable and accrued liabilities	1,101,335	1,865,494
Deferred revenue (Note 8)	3,256,388	1,730,194
Long-term debt (Note 9)	4,910,633	1,390,528
	9,468,356	5,186,216

Net financial assets (debt) (4,146,554) 692,691

Non-financial Assets

Capital assets (Note 10)	37,115,474	30,226,436
Prepaid expenses	137,053	137,952
	37,252,527	30,364,388

Accumulated Surplus (Note 11) \$ 33,105,972 \$ 31,057,079

Contingent liabilities (Note 12)

Approved on behalf of the Driftpile Cree Nation

Original signed by _____, Chief

Original signed by _____, Councilor

Original signed by _____, Councilor

Original signed by _____, Councilor

Original signed by _____, Councilor

Original signed by _____, Councilor

Driftpile Cree Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada (ISC)	\$ 9,795,471	\$ 12,793,911	\$ 11,657,606
Lesser Slave Lake Indian Regional Council (LSLIRC)	-	803,084	624,425
Health Canada	2,693,638	3,019,552	2,267,420
First Nation Development Funds	-	717,476	721,722
CMHC subsidy	-	61,881	66,703
Net Income (loss) from DCN Entities (Note 5)	-	213,241	(285,961)
Trust Funds - Interest revenue	-	42,982	40,093
Other income	1,054,891	5,472,450	2,614,876
	13,544,000	23,124,577	17,706,884
Expenses (Note 18)			
Band Government	1,948,289	2,337,356	2,321,389
Education	4,421,431	5,351,299	4,539,287
Health	2,694,438	3,131,090	2,175,148
Social Services	2,624,489	2,470,898	2,439,091
Housing	745,200	656,495	1,127,792
Community Services	-	593,971	315,483
Economic Development	-	1,686,952	769,275
Public Works	1,152,607	2,445,094	1,404,359
Other	-	295,760	574,707
Amortization	-	2,106,769	2,029,246
	13,586,454	21,075,684	17,695,777
Excess of revenue over expenses	(42,454)	2,048,893	11,107
Accumulated surplus, beginning of year	-	31,057,079	31,045,975
Accumulated surplus, end of year	\$ (42,454)	\$ 33,105,972	\$ 31,057,079

Driftpile Cree Nation

Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended March 31	2019	2018
Excess of revenue over expenses	\$ 2,048,893	\$ 11,107
Acquisition of tangible capital assets	(8,995,806)	(2,095,034)
Amortization of tangible capital assets	2,106,769	2,029,246
	(6,889,037)	(65,788)
(Acquisition) use of prepaid asset	899	(6,640)
Decrease in net financial assets	(4,839,245)	(61,321)
Net financial assets, beginning of year	692,691	754,012
Net financial assets, end of year	\$ (4,146,554)	\$ 692,691

Driftpile Cree Nation**Consolidated Statement of Cash Flow****For the year ended March 31, 2019****2019****2018****Cash flows from****Operating activities**

Excess of revenue over expenses	\$ 2,048,893	\$ 11,107
Items not affecting cash		
Amortization of capital assets	2,106,769	2,029,246
	4,155,662	2,040,353
Change in non-cash operating working capital		
Accounts receivable	225,530	(458,345)
Prepaid expenses	898	(6,639)
Accounts payable and accrued liabilities	(764,156)	788,306
Deferred revenue	1,526,194	684,033
	5,144,128	3,047,708

Capital activities

Purchase of capital assets	(8,995,810)	(2,095,029)
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Financing activities

Repayment of long-term debt	(501,936)	(754,574)
Proceeds of long term debt	4,022,043	
	3,520,107	(754,574)

Investing activities

Investment in and advances to Driftpile Entities	457,793	(7,767)
Ottawa Trust Funds	(42,982)	(40,093)
	414,811	(47,860)

Increase in cash and cash equivalents	83,236	150,245
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Cash and cash equivalents, beginning of year	1,239,778	1,089,533
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Cash and cash equivalents, end of year	\$ 1,323,014	\$ 1,239,778
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Represented by

Cash	\$ 1,523,014	\$ 1,439,778
Operating loan	(200,000)	(200,000)
	\$ 1,323,014	\$ 1,239,778

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

1. Basis of Presentation and Significant Accounting Policies

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

(a) Reporting entity principles of financial reporting

The Driftpile Cree Nation reporting entity includes the Driftpile Cree Nation government and all related entities that are accountable to the First Nation and are either owned or controlled by the Driftpile Cree Nation.

First Nation business enterprises, that are owned or controlled by the Driftpile Cree Nation Council and that are not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method, in accordance with the Public Sector Accounting recommendations.

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 with those of the First Nation. Thus, the First Nation's investment in these enterprises are recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses. Enterprises accounted for by the modified equity basis includes the following:

1. Driftpile First Nation Enterprises Inc. - 100% Ownership
2. Driftpile Business Corporation - 100% Ownership
3. Driftpile Cree Nation Limited Partnerships - 99% Ownership

(b) Cash

Cash consists of funds held with financial institutions, and cheques issued in excess of funds held on deposit.

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

(c) Capital assets

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 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 Driftpile Cree Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings and infrastructure	10-40 years straight line
Automotive equipment	5 years straight line
Equipment	5 years straight line

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

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

Certain assets, including recognized interest in reserve lands and natural resources, as well as 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.

(d) 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.

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

(e) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements, together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

(f) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(g) Investments

The investment in Driftpile Cree Nation entities are recorded using the modified equity method of accounting. All other investments are recorded at cost.

2. Cash

	2019	2018
Externally restricted cash		
CMHC	\$ 138,437	\$ 114,636
First Nation Development Funds	278,764	29,130
	417,201	143,766
Unrestricted cash		
General bank accounts	438,817	637,250
Term deposits	666,996	658,762
	1,105,813	1,296,012
	\$ 1,523,014	\$ 1,439,778

Included in cash is a term deposit that earns interest at 2.25% (2018: 1.25%) annually, maturing October 2019.

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

3. Accounts receivable

	2019	2018
Indigenous Services Canada	\$ 395,883	\$ 260,033
First Nation Development Funds	171,985	170,940
Health Canada	106,485	-
LSLIRC	5,000	116,556
Government of Alberta	52,084	296,569
Members	105,172	81,247
Other	827,679	1,123,335
	1,664,288	2,048,680
Allowance for doubtful accounts	(563,483)	(722,345)
	\$ 1,100,805	\$ 1,326,335

4. Investments

	2019	2018
United Farmers of Alberta Co-operative Limited, at cost	\$ 5,064	\$ 5,064
Co-op shares, at cost	672	672
Riverboat Inc. shares, at cost	100	100
1210104 Alberta Ltd. shares, at cost	2	2
	\$ 5,838	\$ 5,838

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

5. Investment in and advances to Driftpile Entities

Balance Sheet - March 31,

	Driftpile First Nation Enterprises Inc. (100%)	Driftpile Cree Nation Limited Partnerships (99%)	Driftpile Business Corporation (100%)	2019	2018
Cash	\$ 208,655	\$ 44,910	\$ (30)	\$ 253,535	\$ (53,956)
Accounts receivable	253,480	368,326	-	621,806	2,098,468
Prepaid expenses	1,386	-	-	1,386	-
Investment	56,749	-	16,346	73,095	56,423
Property and equipment	4,120,145	-	-	4,120,144	3,241,275
Total assets	\$ 4,640,415	\$ 413,236	\$ 16,316	\$ 5,069,966	\$ 5,342,210
Accounts payable	\$ 472,173	\$ 49,759	\$ -	\$ 521,932	\$ 683,470
Current portion of long-term debt	79,109	-	-	79,109	253,472
Current portion of capital lease obligation	886,541	-	-	886,541	596,141
Due to related parties	977,907	(1,047,239)	84,262	14,930	686,262
Long-term debt	120,795	-	-	120,795	146,100
Capital lease obligation	1,915,775	-	-	1,915,775	1,659,420
Total liabilities	4,452,300	(997,480)	84,262	3,539,082	4,024,865
Equity	188,115	1,410,716	(67,948)	1,530,884	1,317,345
Total liabilities and equity	\$ 4,640,415	\$ 413,236	\$ 16,316	\$ 5,069,966	\$ 5,342,210

Statement of Operations - March 31,

	Driftpile First Nation Enterprises Inc. (100%)	Driftpile Cree Nation Limited Partnerships (99%)	Driftpile Business Corporation (100%)	2019	2018
Revenue	\$ 2,297,661	\$ 5,109,252	\$ 51,076	\$ 7,457,989	\$ 5,437,748
Expenses	3,426,891	3,898,735	119,122	7,244,748	5,723,709
Net Income (Loss)	\$ (1,129,230)	\$ 1,410,517	\$ (68,046)	\$ 213,241	\$ (285,961)

	2019	2018
Advances to (from) Driftpile Cree Nation Entities	\$ 14,930	\$ 686,262
Accumulated earnings	1,530,884	1,317,345
Investment in and advances to Driftpile Cree Nation Entities	\$ 1,545,814	\$ 2,003,607

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

6. Ottawa Trust Funds

The Ottawa Trust Funds include funds held by the Government of Canada for the use and benefit of the Driftpile Cree Nation. These funds are accounted for as received and the release of such funds is subject to Ministerial approval.

	March 31, 2018	Income	March 31, 2019
Ottawa funds held in trust - Capital	\$ 1,055,578	\$ -	\$ 1,055,578
Ottawa funds held in trust - Revenue	47,771	42,982	90,753
	\$ 1,103,349	\$ 42,982	\$ 1,146,331

The trust fund accounts held in Ottawa arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by sections 64 and 69 of the Indian Act.

These funds are treated by Canada as held in trust in the Consolidated Revenue fund of the Government of Canada. The funds attract interest pursuant to Section 61(2) of the Indian Act.

7. Operating loan

ATB business operating loan, due on demand, bearing interest at bank prime plus 1.25%.

8. Deferred Revenue

Deferred revenue represents funds received that will be recognized as revenue in the next fiscal year when the related expenses are incurred, or when the terms of the funding have been fulfilled.

	March 31, 2018	Funding received	Revenue recognized	March 31, 2019
Indigenous Services Canada (ISC)	\$ 985,558	\$ 13,998,965	\$ 12,793,911	\$ 2,190,612
LSLIRC	167,869	847,881	803,084	212,666
Health Canada	101,455	3,197,694	3,019,552	279,597
Other	475,312	5,570,651	5,472,450	573,513
	\$ 1,730,194	\$ 23,615,191	\$ 22,088,997	\$ 3,256,388

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

9. Long-term debt

	2019	2018
CMHC mortgage bearing interest at 1.86%, repayable in monthly instalments of \$1,189 maturing April 2024. Secured by a ministerial guarantee.	\$ 131,331	\$ 143,029
CMHC mortgage bearing interest at 1.44%, repayable in monthly instalments of \$1,053 maturing February 2022. Secured by a ministerial guarantee.	149,083	159,515
CMHC mortgage bearing interest at 1.01%, repayable in monthly instalments of \$2,440 maturing February 2021. Secured by a ministerial guarantee.	576,083	599,456
John Deere Credit Company loan, repaid during the year.	-	16,120
Native Claims loan, secured by a promissory note, payable on the date the claim is settled. The note is interest free unless the Nation defaults on the note, or the note matures.	36,931	36,931
ATB term loan payable, repaid during the year.	-	418,140
Ford Credit Canada loan, repaid during the year.	-	17,337
ATB Loan housing loan, at interest of 4.8%, repayable in blended quarterly payments of \$75,250 for a total of 60 quarters. Secured by a General Security Agreement over all present and after acquired personal property, an assignment of Major Construction Contracts relating to project lands, an assignment of Construction Insurance with first loss payable to the lender, and an assignment of all plans and drawings related to the project.	1,201,026	-
ATB Loan housing loan, at interest of 4.8%, repayable in blended quarterly payments of \$109,200 for a total of 60 quarters. Secured by a General Security Agreement over all present and after acquired personal property, an assignment of Major Construction Contracts relating to project lands, an assignment of Construction Insurance with first loss payable to the lender, and an assignment of all plans and drawings related to the project.	2,768,377	-
Ford Credit Canada loan bearing interest at 6.89%, repayable in monthly instalments of \$1,258 maturing October 2022. Secured by a vehicle with a net book value of \$47,376.	47,802	-
	\$ 4,910,633	\$ 1,390,528

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

9. Long-term debt, continued

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

2020	\$ 4,027,654
2021	59,733
2022	61,286
2023	56,546
2024 and thereafter	705,414
	<hr/>
	\$ 4,910,633

Driftpile Cree Nation**Notes to Consolidated Financial Statements****March 31, 2019****10. Capital Assets**

	Cost			Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2019 net book value
Buildings and infrastructure	\$ 49,963,446	\$ 8,613,741	\$ 58,577,187	\$ 20,817,701	\$ 1,696,004	\$ 22,513,705	\$ 36,063,482
Automotive equipment	3,910,687	261,759	4,172,446	3,138,535	313,619	3,452,154	720,292
Equipment	2,063,850	120,308	2,184,158	1,776,461	92,447	1,868,908	315,250
Signs	23,500	-	23,500	2,350	4,700	7,050	16,450
	\$ 55,961,483	\$ 8,995,808	\$ 64,957,291	\$ 25,735,047	\$ 2,106,770	\$ 27,841,817	\$ 37,115,474

	Cost			Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2018 Net book value
Buildings and infrastructure	\$ 48,162,515	\$ 1,800,931	\$ 49,963,446	\$ 19,158,352	\$ 1,659,349	\$ 20,817,701	\$ 29,145,745
Automotive equipment	3,782,352	128,335	3,910,687	2,842,438	296,097	3,138,535	772,152
Equipment	1,921,587	142,263	2,063,850	1,705,011	71,450	1,776,461	287,389
Signs	-	23,500	23,500	-	2,350	2,350	21,150
	\$ 53,866,454	\$ 2,095,029	\$ 55,961,483	\$ 23,705,801	\$ 2,029,246	\$ 25,735,047	\$ 30,226,436

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

11. Accumulated surplus

	2019	2018
Operating Fund	\$ (2,463,848)	\$ (1,559,119)
Enterprise Funds - Driftpile Entities	1,545,814	2,003,607
Capital Asset Fund	32,204,841	28,835,908
Investment Fund	5,838	5,838
Trust Funds	1,146,331	1,103,349
Settlement Fund	666,996	667,496
	\$ 33,105,972	\$ 31,057,079

12. Contingent liabilities

Government contributions related to the projects of the First Nation are subject to conditions regarding the expenditure of funds. The First Nation's accounting records are subject to audit by the various funding agencies. Should any instances be identified in which the amounts charged to projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

13. CMHC Replacement Reserve

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation is required to provide a replacement reserve. This reserve is to ensure replacement of buildings financed by Canada Mortgage and Housing Corporation. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation, or as may otherwise be approved by Canada Mortgage and Housing Corporation. Withdrawals are to be credited to interest first and then to the principal.

14. Economic Dependence

Driftpile Cree Nation receives a significant portion of its revenue pursuant to a funding agreement with Indigenous Services Canada and Health Canada.

15. Employment retirement plan

Driftpile Cree Nation has a defined contribution plan for its employees. Participation in the pension plan is available to substantially all employees. Employees may contribute between 1.95% and 6.9% of their gross pay, with the Nation making a matching contribution to the plan. Any voluntary amounts paid by the employee are not matched. Total employer contributions for 2019 were \$88,401 (2018: \$83,725).

16. Budget

Budgeted figures are unaudited and have been provided by management and have been approved by Chief and Council.

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

17. Comparative Amounts

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current year.

18. Expenses by Object

For the year ended March 31	2019 Budget	2019 Actual	2018 Actual
Expenses			
Administration fees	\$ 72,255	\$ 249,960	\$ 36,179
Advertising	-	3,034	1,990
Amortization	-	2,106,769	2,029,246
Bad debts (recovery)	-	(158,862)	347,476
Capital purchases	371,970	-	-
Community events	351,792	586,861	352,513
Education allowance	135,000	628,012	552,930
Equipment rental	9,000	233,487	23,504
Health care expenses	1,124,894	1,050,117	567,050
Human resources development	-	479,257	312,401
Insurance	94,750	143,105	133,679
Interest and bank charges	5,100	38,364	48,639
Interest on long-term debt	-	11,465	12,466
Materials and supplies	160,524	567,791	316,365
Meeting and travel expenses	898,152	1,225,886	1,045,910
Office	153,725	212,736	225,960
Professional fees	185,600	734,867	437,458
Program costs	8,076	376,014	381,664
Repairs and maintenance	843,964	916,073	970,748
Social assistance	1,332,519	1,427,153	1,295,272
Subcontractors	-	987,046	11,823
Training	521,975	138,592	53,614
Tuition fees	1,793,922	2,257,712	2,182,215
Utilities and telephone	317,000	448,327	511,372
Vehicle operation and maintenance	111,422	134,504	86,407
Wages and benefits	5,094,814	6,277,414	5,758,896
	\$ 13,586,454	\$ 21,075,684	\$ 17,695,777

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

19. Segmented Information

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function as follows:

	Band Government			Education			Health		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
Revenues									
ISC - funding	\$ 1,615,247	\$ 1,032,460	\$ 1,054,865	\$ 4,379,588	\$ 4,932,098	\$ 4,640,388	\$ -	\$ -	\$ -
LSLIRC	-	-	500	-	40,000	-	-	70,973	61,419
Health Canada	-	-	-	-	-	-	2,693,638	3,137,385	2,292,150
Transfers (to) from other programs	-	398,020	614,521	(34,988)	(197,074)	(347,209)	-	(148,517)	(87,938)
Other revenue	333,042	1,414,165	345,654	82,020	625,697	228,485	-	157,805	55,852
Total revenue	1,948,289	2,842,645	2,015,340	4,426,622	5,400,721	4,521,654	2,693,638	3,217,448	2,321,485
Expenses									
Wages and benefits	1,177,164	1,200,144	1,020,781	1,735,736	1,522,480	1,333,289	1,198,101	1,474,659	1,225,147
Meeting and travel expenses	342,000	403,699	329,477	105,480	136,744	98,158	364,172	520,046	378,880
Office	15,000	69,162	82,850	79,901	36,787	26,631	2,000	9,216	4,657
Program expenses	-	-	-	-	-	497	1,028,888	917,371	474,878
Repairs and maintenance	10,000	66,679	27,615	72,500	134,204	70,904	-	-	-
Tuition fees	-	-	-	1,793,922	2,257,712	2,182,215	-	-	-
Utilities and telephone	71,200	95,361	77,614	88,600	90,787	89,384	-	1,150	-
Other expenses	332,925	502,311	783,052	545,292	1,172,585	738,209	101,277	208,648	91,606
Total expenses	1,948,289	2,337,356	2,321,389	4,421,431	5,351,299	4,539,287	2,694,438	3,131,090	2,175,148
Annual surplus (deficit)	\$ -	\$ 505,289	\$ (306,049)	\$ 5,191	\$ 49,422	\$ (17,833)	\$ (800)	\$ 86,356	\$ 146,337

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

19. Segmented Information, continued

	Social Services			Housing			Community Services		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
Revenues									
ISC - funding	\$ 2,018,694	\$ 2,325,228	\$ 2,219,143	\$ 698,355	\$ 627,189	\$ 975,530	\$ -	\$ -	\$ -
LSLIRC	-	-	-	-	-	-	-	205,049	144,357
Health Canada	-	(117,833)	(24,730)	-	-	-	-	-	-
Transfers (to) from other programs	591,095	86,107	(111,183)	-	3,059	179,342	-	-	68,722
Other revenue	14,700	211,020	358,909	-	137,434	158,871	-	888,470	121,770
Total revenue	2,624,489	2,484,522	2,442,139	698,355	767,682	1,311,743	-	1,073,519	334,849
Expenses									
Wages and benefits	482,913	706,196	655,331	173,500	207,358	478,875	-	101,484	79,284
Meeting and travel expenses	39,500	36,691	55,085	24,000	10,691	30,310	-	3,825	526
Office	32,000	15,563	44,857	12,000	8,761	3,284	-	5,540	6,782
Health care expenses	88,006	37,511	59,595	-	158	681	-	85,387	22,081
Repairs and maintenance	22,500	24,105	27,851	530,900	331,329	495,023	-	6,494	25,689
Utilities and telephone	3,000	10,556	4,898	4,800	61,104	78,198	-	7,676	8,856
Other expenses	1,976,570	1,640,276	1,591,874	-	37,094	41,841	-	383,565	174,285
Total expenses	2,624,489	2,470,898	2,439,091	745,200	656,495	1,127,792	-	593,971	315,483
Annual surplus (deficit)	\$ -	\$ 13,624	\$ 3,048	\$ (46,845)	\$ 111,187	\$ 183,951	\$ -	\$ 479,548	\$ 19,366

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

19. Segmented Information, continued

	Economic Development			Public Works			Other		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
Revenues									
ISC funding	\$ -	\$ 109,952	\$ 161,030	\$ 1,083,607	\$ 3,431,777	\$ 2,606,870	\$ -	\$ 335,207	\$ -
LSLIRC	-	487,062	418,149	-	-	-	-	-	-
Transfers (to) from other programs	-	(18,488)	(16,103)	(48,000)	(101,127)	(300,153)	-	-	-
Other revenue	-	1,321,847	102,498	115,000	354,802	318,945	-	1,417,390	1,468,438
Total revenue	-	1,900,193	665,574	1,152,607	3,685,252	2,625,662	-	1,752,597	1,468,438
Expenses									
Wages and benefits	-	389,732	259,135	347,400	882,381	634,378	-	-	-
Meeting and travel expenses	-	44,875	65,703	23,000	27,036	33,149	-	-	-
Office	-	52,946	46,406	12,824	12,282	8,235	-	-	-
Health care expenses	-	-	-	8,000	9,690	9,318	-	-	-
Repairs and maintenance	-	-	-	208,085	331,749	305,582	-	-	-
Utilities and telephone	-	2,613	5,037	149,400	176,108	244,016	-	-	-
Other expenses	-	1,216,786	392,994	403,918	1,225,848	168,681	-	295,760	574,707
Total expenses	-	1,688,952	769,275	1,152,607	2,445,094	1,404,359	-	295,760	574,707
Annual surplus (deficit)	\$ -	\$ 213,241	\$ (103,701)	\$ -	\$ 1,240,158	\$ 1,221,303	\$ -	\$ 1,456,837	\$ 893,731

Driftpile Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

19. Segmented Information, continued

	2019 Budget	Amortization 2019 Actual	2018 Actual	2019 Budget	Consolidated totals 2019 Actual	2018 Actual
Revenues						
ISC - funding	\$ -	\$ -	\$ -	\$ 9,795,471	\$ 12,793,911	\$ 11,657,806
LSLIRC	-	-	-	-	803,084	624,425
Health Canada	-	-	-	2,693,638	3,019,552	2,267,420
Transfers (to) from other programs	-	-	-	510,129	-	-
Other revenue	-	-	-	544,762	8,508,030	3,157,432
Total revenue	-	-	-	13,544,000	23,124,577	17,706,884
Expenses						
Wages and benefits	-	-	-	5,094,814	8,244,434	5,886,020
Meeting and travel expenses	-	-	-	898,152	1,183,807	991,268
Office	-	-	-	153,725	210,257	223,482
Health care expenses	-	-	-	1,124,894	1,050,117	567,050
Repairs and maintenance	-	-	-	843,965	894,560	952,644
Tuition fees	-	-	-	1,793,922	2,257,712	2,182,215
Utilities and telephone	-	-	-	317,000	445,355	508,003
Other expenses	-	2,106,769	2,051,816	3,359,982	8,789,842	6,608,465
Total expenses	-	2,106,769	2,029,246	13,586,454	21,075,684	17,895,777
Annual surplus (deficit)	\$ -	\$ (2,106,769)	\$ (2,029,246)	\$ (42,454)	\$ 2,048,893	\$ 11,107