

**Lubicon Lake Band No. 453**  
**Consolidated Financial Statements**  
**March 31, 2019**

# Lubicon Lake Band No. 453

## CONTENTS

	<u>Page</u>
<b>MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING</b>	1
<b>INDEPENDENT AUDITORS' REPORT</b>	2 - 3
Consolidated Statement of Financial Position	4
Consolidated Statement of Financial Activities	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Consolidated Statement of Changes in Accumulated Surplus - Schedule 1	8
Consolidated Statement of Tangible Capital Assets - Schedule 2	9
Consolidated Statement of Financial Activities by Program - Schedule 3	10
Consolidated Statement of Expenditures by Object - Schedule 4	11
Notes to the Consolidated Financial Statements	12 - 18



**Lubicon Lake Band #453**  
*Box 1351*  
*St. Isidore, AB T0H-3B0*  
*Phone: (780) 629-2356 Fax: (780) 629-2473*

## **Lubicon Lake Band No. 453**

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

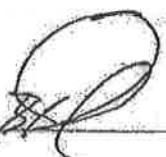
The accompanying consolidated financial statements of the Lubicon Lake Band No. 453 are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgement. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Lubicon Lake Band No. 453 maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

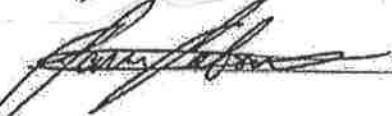
The Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members. Doyle & Company have full and free access to the Council.

  
\_\_\_\_\_  
**Chief**

  
\_\_\_\_\_  
**Councilor**

  
\_\_\_\_\_  
**Councilor**

  
\_\_\_\_\_  
**Councilor**

  
\_\_\_\_\_  
**Councilor**

Allan J. Grykuliak, CPA, CA\*

Scott T. Mockford, CPA, CA\*

Allen Lee, CPA, CMA\*

Jason Bondarevich, CPA, CA\*

\* Operates as a Professional Corporation

11210 - 107 Avenue N.W., 2nd Flr  
Edmonton, Alberta T5H 0Y1  
Tel (780) 452-2300, Fax (780) 452-2385

## INDEPENDENT AUDITORS' REPORT

### To the Chief and Council

#### Opinion

We have audited the consolidated financial statements of **Lubicon Lake Band No. 453** (the Nation), which comprise the consolidated statement of financial position as at March 31, 2019, and the results of its operations, changes in its net financial assets and cash flows for the years 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 financial position of the Lubicon Lake Band No. 453 as at March 31, 2019, the results of its operations, changes in its net financial assets and its 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 Entity in accordance with the ethical requirements that are relevant to our audit of the 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 these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends 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

#### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

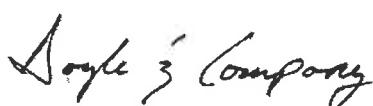
## INDEPENDENT AUDITORS' REPORT - continued

- 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 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 financial statements, including the disclosures, and whether the 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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Scott Mockford, CPA, CA.



11210 - 107 Avenue NW  
Edmonton, Alberta  
T5H 0Y1

August 6, 2019

Chartered Professional Accountants

**Lubicon Lake Band No. 453**  
**Consolidated Statement of Financial Position**

As at March 31, 2019

	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	6,460,102	384,193
Restricted cash and cash equivalents (Note 2)	83,164,972	153,061
Investments (Note 3)	11,372,912	1,512,675
Accounts receivable (Note 4)	4,962,769	4,216,527
Investment in First Nation controlled entities (Note 5)	743,848	334,753
	<b>106,704,603</b>	<b>6,601,209</b>
<b>LIABILITIES</b>		
Accounts payable	935,359	672,739
Deferred contributions (Note 6)	8,130,603	5,949,835
Promissory note (Note 7)	7,959,658	1,962,491
	<b>17,025,620</b>	<b>8,585,065</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>89,678,983</b>	<b>(1,983,856)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	13,009,185	10,178,941
Prepaid expenses	268,692	52,925
	<b>13,277,877</b>	<b>10,231,866</b>
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 11)</b>	<b>102,956,860</b>	<b>8,248,010</b>

Approved by the First Nation:

 Chief

 Councilor

 Councilor

 Councilor

 Councilor

 Councilor

The accompanying notes form part of these financial statements.

**Lubicon Lake Band No. 453**  
**Consolidated Statement of Financial Activities**  
**For the year ended March 31, 2019**

	2019 Budget \$	2019 Actual \$	2018 Actual \$
<b>REVENUE</b>			
Indigenous Services Canada	2,067,852	5,603,950	6,209,550
Land Claim Settlement revenue	-	120,959,663	-
Alberta Government Grant	135,000	638,601	2,694,425
First Nations Development Fund	453,951	438,768	415,005
Health Canada	1,203,388	1,203,388	722,438
Aboriginal Skills and Employment Training Strategy	-	131,283	138,281
Other revenue	591,763	5,017,002	649,343
Revenue deferred from previous period	1,507,320	5,949,835	1,434,347
Revenue deferred to subsequent period	-	(8,130,603)	(5,949,835)
	<b>5,959,274</b>	<b>131,811,887</b>	<b>6,313,554</b>
<b>EXPENDITURES</b>			
Administration and Governance	758,088	1,722,320	1,985,683
Alberta Government Programs	-	146,736	178,955
Aboriginal Skills Employment & Training	-	96,217	142,839
Consultation	155,000	167,574	180,697
Economic Development	55,434	80,169	139,956
Education	367,035	251,093	184,778
First Nations Development Fund	440,013	405,263	533,659
Health	1,203,388	1,129,943	770,560
Housing	630,600	520,487	874,282
Integrated Employment Training Program	1,093,500	1,101,545	609,743
Professional and Institutional Development Program	-	52,744	-
Public Works	534,492	630,142	549,114
Social Services	1,048,057	1,093,007	863,681
Land Settlement Trust	-	26,110,300	-
	<b>6,285,607</b>	<b>33,507,540</b>	<b>7,013,947</b>
<b>Excess of Revenue Over Expenditures</b>			
<b>- Before Other Revenue (Expenditures)</b>	<b>(326,333)</b>	<b>98,304,347</b>	<b>(700,393)</b>
<b>Other Revenue (Expenditures)</b>			
Capital funding	-	-	2,031,998
Indigenous Services Canada	-	-	(433,300)
Amortization	-	(683,170)	1,598,698
	<b>(683,170)</b>	<b>1,598,698</b>	
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>(326,333)</b>	<b>97,621,177</b>	<b>898,305</b>

The accompanying notes form part of these financial statements.

**Lubicon Lake Band No. 453**  
**Consolidated Statement of Change in Net Financial Assets**  
**For the year ended March 31, 2019**

	<b>2019</b> \$	<b>2018</b> \$
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>94,708,850</b>	970,372
Acquisition of tangible capital assets	(3,669,389)	(2,079,498)
Proceeds on disposal of tangible capital assets	155,974	-
Amortization of tangible capital assets	683,171	433,300
	<b>(2,830,244)</b>	(1,646,198)
Acquisition of prepaid assets	(268,692)	(52,925)
Use of prepaid assets	52,925	35,328
	<b>(215,767)</b>	(17,597)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>91,662,839</b>	(693,423)
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	<b>(1,983,856)</b>	(1,290,433)
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<b>89,678,983</b>	(1,983,856)

# Lubicon Lake Band No. 453

## Consolidated Statement of Cash Flows

For the year ended March 31, 2019

	2019	2018
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from funding agencies and other income	133,246,413	9,571,850
Cash paid to suppliers and employees	(36,217,039)	(6,385,988)
	<b>97,029,374</b>	<b>3,185,862</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in long-term liabilities	5,997,167	733,794
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in investments	(9,860,237)	(1,362,675)
Increase in investment in First Nation controlled entities	(409,095)	(251,432)
Tangible capital assets acquired	(3,669,389)	(2,079,498)
	<b>(13,938,721)</b>	<b>(3,693,605)</b>
<b>INCREASE IN CASH DURING THE YEAR</b>	<b>89,087,820</b>	226,051
<b>CASH, BEGINNING OF YEAR</b>	<b>537,254</b>	311,203
<b>CASH, END OF YEAR</b>	<b>89,625,074</b>	<b>537,254</b>
Cash if comprised of:		
Cash	6,460,102	384,193
Restricted cash	83,164,972	153,061
	<b>89,625,074</b>	<b>537,254</b>

The accompanying notes form part of these financial statements.

## Lubicon Lake Band No. 453

### Consolidated Statement of Changes in Accumulated Surplus - Schedule 1

For the year ended March 31, 2019

		2019	2019	2018
	Unrestricted Surplus	Equity in Capital Assets	Equity in Enterprise Fund	Equity in Trust Funds
	\$	\$	\$	\$
<b>Balance, Beginning of Year</b>	<b>(2,418,745)</b>	<b>10,178,941</b>	<b>334,753</b>	<b>153,061</b>
Excess of revenue over expenditures	97,621,177	-	84,118	3,555
Excess of revenue over expenditures - Trust Funds	(95,286,847)	-	-	95,286,847
Investment funds transferred to operations	(324,977)	-	324,977	(3,000,000)
Promissory note transferred to equity	1,962,491	-	-	(1,962,491)
Current years funds used for tangible capital assets	(3,669,389)	3,669,389	-	-
Disposal of tangible capital assets	155,974	(155,974)	-	-
Annual amortization expense	683,171	(683,171)	-	-
<b>Change in accumulated surplus</b>	<b>1,141,600</b>	<b>2,830,244</b>	<b>409,095</b>	<b>90,327,911</b>
<b>Balance, End of Year</b>	<b>(1,277,145)</b>	<b>13,009,185</b>	<b>743,848</b>	<b>90,480,972</b>
				970,372
				970,372
				8,248,010
				7,277,638

The accompanying notes form part of these financial statements.

# Lubicon Lake Band No. 453

## Consolidated Statement of Tangible Capital Assets - Schedule 2

For the year ended March 31, 2019

	Automotive	Buildings & Infrastructure	Housing	Furniture & Equipment	2019	2018
	\$	\$	\$	\$	\$	\$
<b>COST:</b>						
Balance, Beginning of Year	659,627	2,067,304	9,152,990	95,227	11,975,148	9,895,650
Acquisition of tangible capital assets	213,895	1,452,215	461,511	1,541,768	3,669,389	2,079,498
Disposal of tangible capital assets	-	-	(177,243)	-	(177,243)	-
<b>Balance, End of Year</b>	<b>873,522</b>	<b>3,519,519</b>	<b>9,437,258</b>	<b>1,636,995</b>	<b>15,467,294</b>	<b>11,975,148</b>
<b>ACCUMULATED AMORTIZATION:</b>						
Balance, Beginning of Year	554,192	297,216	923,438	21,361	1,796,207	1,362,907
Annual amortization	77,965	107,267	338,489	159,450	683,171	433,300
Accumulated amortization on disposals	-	-	(21,269)	-	(21,269)	-
<b>Balance, End of Year</b>	<b>632,157</b>	<b>404,483</b>	<b>1,240,658</b>	<b>180,811</b>	<b>2,458,109</b>	<b>1,796,207</b>
<b>NET BOOK VALUE</b>	<b>241,365</b>	<b>3,115,036</b>	<b>8,196,600</b>	<b>1,456,184</b>	<b>13,009,185</b>	<b>10,178,941</b>

The accompanying notes form part of these financial statements.

## Lubicon Lake Band No. 453

### Consolidated Statement of Financial Activities by Program - Schedule 3 For the year ended March 31, 2019

	ISC Revenue \$	Other Revenue \$	Total Revenue \$	Total Expenditures \$	Surplus (Deficit) \$	2018
						Surplus (Deficit) \$
Administration and Governance	1,204,728	1,236,532	2,441,260	1,722,320	718,940	(941,505)
Alberta Government Programs - Consultation	-	150,874	150,874	167,574	(16,700)	(17,197)
Alberta Government Programs - Integrated Employment Training Program	-	1,101,545	1,101,545	1,101,545	-	628,611
Alberta Government Programs - Other	-	146,347	146,347	146,736	(389)	-
Aboriginal Skills Employment & Training Services	-	95,526	95,526	96,217	(691)	(4,558)
Capacity Build	2,502,380	(518,434)	1,983,946	-	1,983,946	-
Economic Development	55,434	-	55,434	80,169	(24,735)	(84,522)
Education	144,965	70,000	214,965	251,093	(36,128)	(1,708)
First Nation Development Fund	-	551,875	551,875	405,263	146,612	27,801
Health Services	-	1,203,388	1,203,388	1,129,943	73,445	(8,441)
Housing	215,100	347,473	562,573	520,487	42,086	1,676,661
Professional and Institutional Development Program	-	52,744	52,744	52,744	-	-
Public Works	244,906	371,305	616,213	630,142	(13,929)	(40,123)
Social Services	1,236,437	1,613	1,238,050	1,093,007	145,043	96,586
Land Settlement Trust	120,959,663	437,484	121,397,147	26,110,300	95,286,847	-
	126,563,613	5,248,272	131,811,887	33,507,540	98,304,347	1,331,605

# Lubicon Lake Band No. 453

## Consolidated Statement of Expenditures by Object - Schedule 4

For the year ended March 31, 2019

	2019	2018
	\$	\$
<b>EXPENDITURES</b>		
Advertising	13,678	368
Bank charges	13,200	9,992
Contractors	307,068	729,769
Community special events	184,125	246,321
Equipment	100,560	40,448
Honorarium	300	8,550
Insurance	92,736	77,449
Material and supplies	212,024	241,757
Meeting costs	36,878	53,789
Office	58,616	70,281
Professional fees	1,712,053	697,546
Program expense	26,706,953	1,163,652
Rent	132,698	66,785
Repairs and maintenance	65,139	59,525
Training	635,891	76,814
Travel	638,539	441,693
Telephone and utilities	533,169	529,608
Wages and employee benefits	2,063,913	2,499,600
<b>TOTAL EXPENDITURES</b>	<b>33,507,540</b>	<b>7,013,947</b>

The accompanying notes form part of these financial statements.

**Lubicon Lake Band No. 453**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2019**

---

**NATURE OF OPERATIONS**

Lubicon Lake Band provides local government, education and social development services to its members and was established under the Indian Act (Canada)

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements include the assets, liabilities, and results of operations of Lubicon Lake Band (the "Band") and all related entities and organizations subject to control by Chief and Council. No inclusion has been made of assets, liabilities, revenues or expenses of Band members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government, as established by the Public Sector Accounting and Audit Boards ("PSAB"), which encompasses the following principles:

**(a) Fund Accounting**

The Lubicon Lake Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Lubicon Lake Band maintains the following funds:

- The Operating Fund which reports the general activities of the Band Administration.
- The Tangible Capital Assets Fund which reports the capital assets of the Band, together with their related financing.
- The Trust Fund which reports on trust funds owned by the Band and held by third parties.

**(b) Cash and Cash Equivalents**

Cash and cash equivalents consist of bank accounts and temporary investments with maturities of three months or less.

**(c) Investment in Controlled Entities**

Investments in wholly-owned incorporated subsidiaries of Lubicon Lake Band are accounted for by the equity method. The equity method initially records the investment at cost and the carrying value thereafter is adjusted for the investor's pro-rata share of post acquisition earnings or losses of the subsidiary. Lubicon Lake Band owns the following subsidiary:

- 1769919 Alberta Ltd.
- Lubicon Lake Forestry

**(d) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

**Lubicon Lake Band No. 453**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2019**

---

**1. SIGNIFICANT ACCOUNTING POLICIES - continued**

**(e) Revenue Recognition**

Government transfers and grant revenue are recognized as the Band becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the resources are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Other revenue, including rent and lease revenue, sales of goods and provision of services are recognized in the period the goods or services are provided and the related proceeds are received or receivable.

**(f) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a declining balance basis over the estimated useful life as follows:

	Rate
Automotive	30%
Buildings and infrastructure	4%
Furniture and equipment	20%

Annual amortization is charged in the year of acquisition and not in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

**(g) Trust Funds**

The Ottawa Trust Accounts 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Band trust funds are included as revenue in these statements only to the extent they have been received from the Band's trust funds. The amounts on deposit with the Government of Canada are audited by the Auditor General of Canada.

**(h) Financial Instruments**

The Band initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities, other than investments, at amortized cost. The financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. Investments are recorded at fair value.

**Lubicon Lake Band No. 453**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2019**

---

**1. SIGNIFICANT ACCOUNTING POLICIES - continued**

**Credit Risk**

The Band is exposed to credit risk on the accounts receivable from its customers. In order to reduce its credit risk, the partnership has adopted credit policies which include an analysis of the financial position of its customers and the regular review of their credit limits.

**Interest Rate Risk**

The Band is exposed to risk that the fair value of financial instruments or future cashflows associated with the instrument will fluctuate due to changes in market interest rates.

**(i) Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. RESTRICTED CASH AND CASH EQUIVALENT**

	<b>2019</b>	<b>2018</b>
	\$	\$
Trust Funds		
Band Capital	29,392	29,392
Band Revenue	127,224	123,669
Funds in trust with lawyer	2,213,247	-
Royal Trust Corporation - Minor Trust	10,795,109	-
<u>Royal Bank of Canada - GIC</u>	<u>70,000,000</u>	<u>-</u>
	<hr/> <b>83,164,972</b>	<hr/> <b>153,061</b>

The Royal Bank of Canada - GIC is earnings interest at 1.25 % per annum, matures within 3 months and has therefore been included with cash.

**3. INVESTMENTS**

Investments consist of three guaranteed investment certificates, maturing between December, 2019 and March, 2020 and earning annual interest at between 1.95% and 2.3%.

**Lubicon Lake Band No. 453**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2019**

---

**4. ACCOUNTS RECEIVABLE**

	<b>2019</b> \$	<b>2018</b> \$
Kee Tas Kee Now Tribal Council	4,280,762	3,761,966
Aboriginal Skills Employment & Training	59,389	-
Health Canada	134,200	-
First Nation Development Fund	105,597	245,176
Alberta Government grant	340,058	153,236
GST receivable	15,984	31,920
Other	26,779	24,229
	<b>4,962,769</b>	<b>4,216,527</b>

**5. INVESTMENTS IN BAND CONTROLLED ENTITIES**

	<b>2019</b> \$	<b>2018</b> \$
<b>1769919 Alberta Ltd. (Venture) - 100% interest</b>		
Shares	100	100
Advances	1,109,692	784,715
Accumulated surplus (deficit) in earnings	(341,294)	(425,472)
	<b>768,498</b>	359,343
<b>Lubicon Lake Forestry - 100% interest</b>		
Shares	100	100
Accumulated surplus (deficit) in earnings	(24,750)	(24,690)
	<b>(24,650)</b>	(24,590)
<b>Total investment in controlled entities</b>	<b>743,848</b>	334,753

Unaudited financial information for each of the entities for their respective March 31, 2019 years ended are as follows:

	<b>Assets</b> \$	<b>Liabilities</b> \$	<b>Revenues</b> \$	<b>Net Earnings (Loss)</b> \$
Lubicon Lake Band Ventures Ltd.	1,280,018	1,621,212	3,758,624	82,905
1987889 Alberta Ltd. - Forestry	139	24,890	-	(60)

**Lubicon Lake Band No. 453**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2019**

---

**6. DEFERRED CONTRIBUTIONS**

	<b>2019</b> \$	<b>2018</b> \$
Administration and Governance		
Trust funds	2,930,000	-
KTC - Cultural camp	177,135	53,273
KTC - Elders program	41,716	-
KTC - Planning & skills development	-	261,000
Alberta Government		
Integrated Employment Training Program	323,877	1,388,922
Alberta Government Programs - Other		
Story of our land	145,322	-
Climate leadership project	249,128	165,203
Traditional use study	66,798	16,798
Green Jobs	-	38,800
Pre-trades training	-	14,996
Aboriginal Skills and Employment Training Strategy		
KTC - Child care	35,757	-
Capacity Build		
KTC - Environmental remediation	210,000	-
KTC - Lot clearing	143,424	-
KTC - Cultural access road	50,000	-
KTC - Water and Wastewater study	15,010	-
KTC - Feasibility study	100,000	-
First Nation Development Fund	75,997	139,399
Health Canada	225,000	-
Housing		
KTC - Housing - Duplexes	277,380	520,509
KTC - Little Buffalo lot purchase	1,080,000	1,080,000
Professional and Institutional Development		
Alberta Government	64,059	-
Public Works		
KTC - Capacity Building	20,000	-
KTC - New Water share purchase	1,900,000	1,900,000
KTC - 3 - Phase power	-	370,935
	<b>8,130,603</b>	<b>5,949,835</b>

**7. PROMISSORY NOTE**

The promissory note due to Indigenous and Northern Affairs Canada is \$7,959,658 (2018 - \$1,962,491) and is repayable on the earlier of March 31, 2019 or the date on which the claim is settled. The promissory note is interest free unless the First Nation defaults or the loan reaches maturity.

**Lubicon Lake Band No. 453**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2019**

---

**8. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2019</b> \$	<b>2018</b> \$
Tangible capital assets (Schedule 2)	15,467,294	11,975,148
Accumulated amortization (Schedule 2)	(2,458,109)	(1,796,207)
	<b>13,009,185</b>	<b>10,178,941</b>

**9. EQUITY IN ENTERPRISE FUND**

	<b>2019</b> \$	<b>2018</b> \$
Balance, beginning of year	334,753	83,321
Surplus (deficit) from subsidiary companies	84,118	64,614
Advances to controlled entities	324,977	186,818
Balance, end of year	<b>743,848</b>	<b>334,753</b>

**10. EQUITY IN TRUST FUND**

**Federal Funds**

	Capital \$	Revenue \$	Total \$
Balance, beginning of year	29,392	123,669	153,061
Earnings	-	3,555	3,555
Balance, end of year	<b>29,392</b>	<b>127,224</b>	<b>156,616</b>

**Land Claim Funds**

	<b>2019</b> \$
Balance, beginning of year	-
Settlement revenue	120,959,663
Investment income	437,484
Expenditures	(1,000,642)
Distributions	(20,850,000)
Loan payments	(9,222,149)
Balance, end of year	<b>90,324,356</b>
<b>Total Trust Funds</b>	<b>90,480,972</b>

**Lubicon Lake Band No. 453**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2019**

---

**11. ACCUMULATED SURPLUS**

	<b>2019</b> \$	<b>2018</b> \$
Unrestricted surplus	(1,277,145)	(2,418,745)
Equity in tangible capital assets	13,009,185	10,178,941
Equity in enterprise fund	743,848	334,753
<u>Equity in trust funds</u>	<u>90,480,972</u>	<u>153,061</u>
	<b>102,956,860</b>	<b>8,248,010</b>

**12. LEASE COMMITMENTS**

- (a) The office lease with Williams Scotsman Canada is for five years commencing September 1, 2016 and requires monthly payments \$4,500.
- (b) The 5,000 gallon water tank lease with Williams Scotsman Canada is for five years commencing September 1, 2016 and requires monthly payments \$3,100.