



**PAUL TEOH**  
*Chartered Accountants*

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## INDEPENDENT AUDITOR'S REPORT

To the members of Liidlii Kue First Nation

### Opinion

I have audited the accompanying consolidated financial statements of Liidlii Kue First Nation, which comprise of the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (Hereinafter referred as the "financial statements").

In my opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Liidlii Kue First Nation ("LKFN") as at March 31, 2019, and the consolidated results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for public sector accounting standards.

### Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the LKFN in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for public sector accounting board, 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 LKFN'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 LKFN or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit.

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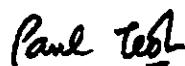
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I also:

- 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 my 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 LKFN'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 LKFN's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the LKFN 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 LKFN to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.



Chartered Accountant

Calgary, Alberta  
August 15, 2019

**LIIDLII KUE FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

March 31,	2019	2018
<b>Financial Assets</b>		
Cash (note 2)	\$ 1,386,838	\$ 487,508
Accounts receivable (note 3)	190,735	144,258
Contributions receivable (note 4)	371,053	442,684
<b>Total Financial Assets</b>	<b>1,948,626</b>	<b>1,074,450</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 5)	658,104	497,415
Contributions repayable (note 6)	12,500	-
Deferred contributions (note 7)	1,531,931	819,955
Deferred government assistance	1,313,033	1,371,904
Callable debt (note 8)	340,625	-
<b>Total Liabilities</b>	<b>3,856,193</b>	<b>2,689,274</b>
<b>Net Financial Debt</b>	<b>( 1,907,567)</b>	<b>( 1,614,824)</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 9)	2,746,029	2,377,056
Long term investments (note 10)	2,343,342	1,259,154
Buildings under construction	665,212	469,655
Prepaid expenses and deposits	17,507	39,961
<b>Total Non-Financial Assets</b>	<b>5,772,090</b>	<b>4,145,826</b>
<b>Accumulated Surplus (note 11)</b>	<b>\$ 3,864,523</b>	<b>\$ 2,531,002</b>

Approved on behalf of the Council:



Councillor



Brian Martin Councillor

The accompanying notes and schedules are an integral part of these consolidated financial statements. 4.

**LIIDLII KUE FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

For the year ended March 31,	2019	2019	2018
	Budget (Unaudited)	Actual	Actual
<b>Revenue</b>			
Contributions:			
- Indigenous Services Canada	\$ 738,303	\$ 634,419	\$ 674,583
- Dehcho First Nations	383,182	329,728	515,242
- Government of NWT	1,055,313	1,003,825	1,077,706
- Government of Canada	156,544	156,544	242,319
Enterprise income	-	803,329	242,444
Other revenue and recoveries	1,463,786	2,066,520	798,141
Add opening deferred revenue	-	460,055	549,924
Less closing deferred revenue	-	( 1,092,242)	( 460,055)
	<b>3,797,128</b>	<b>4,362,178</b>	<b>3,640,304</b>
<b>Expenditure</b>			
Administration - hosting	25,000	22,500	13,470
Administration - support	480,615	410,695	250,732
Advocacy	153,000	157,790	162,673
Cultural and historical	186,354	187,810	248,831
Education	252,514	184,652	228,550
Enterprises	-	265,796	269,260
Family development	286,703	321,958	425,598
Family health	766,057	708,642	798,968
Family youth	79,100	59,965	79,247
Governance	364,161	386,441	388,488
Lands, resource management, and economic development	1,199,580	940,387	807,241
Treaty	4,044	4,044	3,723
<b>Loss (Gains) on Disposal of Capital Assets</b>	<b>-</b>	<b>-</b>	<b>32,632</b>
	<b>3,797,128</b>	<b>3,650,680</b>	<b>3,709,413</b>
<b>Operating Surplus (Deficit)</b>	<b>-</b>	<b>711,498</b>	<b>( 69,109)</b>
<b>Equity Earnings (Loss) from Subsidiaries</b>	<b>-</b>	<b>622,023</b>	<b>( 330,485)</b>
<b>Annual Surplus (Deficit)</b>	<b>-</b>	<b>1,333,521</b>	<b>( 399,594)</b>
<b>Accumulated Surplus, beginning of year</b>	<b>2,531,002</b>	<b>2,531,002</b>	<b>2,930,596</b>
<b>Accumulated Surplus, end of year</b>	<b>\$ 2,531,002</b>	<b>\$ 3,864,523</b>	<b>\$ 2,531,002</b>

The accompanying notes and schedules are an integral part of these consolidated financial statements. 5.

**LIIDLII KUE FIRST NATION**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL DEBT**

For the year ended March 31,		2019	2019	2018
	Budget (Unaudited)	Actual	Actual	
<b>Annual Surplus (Deficit)</b>	\$ -	\$ 1,333,521	\$( 399,594)	
Acquisition of tangible capital assets	-	( 472,665)	( 65,106)	
Proceeds on sale of tangible capital assets	-	-	38,000	
Amortization of tangible capital assets	-	103,693	98,550	
Loss (gains) on sale of tangible capital assets	-	-	32,632	
Acquisitions of buildings under construction	-	( 195,557)	( 303,402)	
<b>Decrease (Increase) in long term investments</b>	<b>-</b>	<b>( 1,084,188)</b>	<b>546,263</b>	
Decrease (Increase) in prepaid expenses and deposits	-	( 315,196)	( 52,657)	
<b>Increase (Decrease) in Net Financial Debt</b>	<b>-</b>	<b>( 292,743)</b>	<b>( 53,350)</b>	
<b>Net Financial Debt, beginning of year</b>	<b>( 1,614,824)</b>	<b>( 1,614,824)</b>	<b>( 1,561,474)</b>	
<b>Net Financial Debt, end of year</b>	<b>\$( 1,614,824)</b>	<b>\$( 1,907,567)</b>	<b>\$( 1,614,824)</b>	

The accompanying notes and schedules are an integral part of these consolidated financial statements. 6.

**LIIDLII KUE FIRST NATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended March 31,	2019	2018
<b>Cash Flows from Operating Activities</b>		
Cash receipts from government transfers and others	\$ 2,196,147	\$ 2,268,885
Cash receipts from contributions and recoveries	2,856,790	1,380,037
<u>Cash paid to suppliers and employees</u>	( 3,363,845)	( 3,531,275)
	1,689,092	117,647
<b>Cash Flows from Financing Activities</b>		
Proceeds from callable debt	375,000	-
<u>Repayment of callable debt</u>	( 34,375)	-
	340,625	-
<b>Cash Flows from Investing Activities</b>		
Decrease (increase) in buildings under constructions	( 195,557)	( 303,402)
<u>Decrease (increase) in long term investment</u>	( 462,165)	215,778
	( 657,722)	( 87,624)
<b>Capital Transactions</b>		
Purchase of tangible capital assets	( 472,665)	( 65,106)
<u>Proceeds from disposal of tangible capital assets</u>	-	38,000
	( 472,665)	( 27,106)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>899,330</b>	<b>2,917</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>487,508</b>	<b>484,591</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 1,386,838</b>	<b>\$ 487,508</b>

The accompanying notes and schedules are an integral part of these consolidated financial statements. 7.

# LIIDLII KUE FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

The Liidlii Kue First Nation ("LKFN") is an Indian Band registered under the *Indian Act*. It provides services to the band members of Liidlii Kue First Nation.

LKFN is exempt for income tax purposes under Section 149 of the *Income Tax Act*.

### 1. Significant Accounting Policies

#### (a) Basis of Preparation

These consolidated financial statements have been prepared by Council in accordance with generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

#### (b) Reporting Entity

The consolidated financial statements includes the accounts of Liidlii Kue First Nation along with the following subsidiaries and associated business enterprises using the method listed below.

	Consolidation Method	Percentage Owned	Year End
Lidlili Kue Society	Line by Line	100%	March 31, 2019
Nogha Enterprises Ltd.	Modified Equity	100%	March 31, 2019
Deh Cho Helicopters Regional Limited Partnership	Modified Equity	14.3%	May 31, 2018

#### (c) Long Term Investments

Long term investments have been accounted for on a modified equity basis. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the LKFN and inter-organizational transactions and balances are not eliminated. Further, the business enterprise's accounting principles are not adjusted to conform with those of the Council and inter-organizational transactions and balances are not eliminated.

#### (d) Cash and Cash Equivalents

Cash includes cash and demand deposits. Cash equivalents includes highly liquid investments that can be readily converted into cash for a fixed amount and that matures less than three months from the date of acquisition.

# **LIIDLII KUE FIRST NATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**March 31, 2019**

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### **1. Significant Accounting Policies (Continued)**

#### **(e) Fund Accounting**

The Liidlii Kue First Nation follows the deferral method of accounting for capital contributions. Externally restricted contributions are recognized as revenue when the related capital expenditures are incurred. Contributions received in advance of making the related expenditures is recorded as deferred revenue.

The general operating fund reports the core operating accounts of LKFN and other programs in accordance with contribution agreements with funding agencies.

The Enterprise fund reports the assets, liabilities, revenue and expenditure relating to investments held by LKFN.

#### **(f) Allocation of Expenditure**

Certain common expenditure have been allocated to programs based on estimate of services provided.

#### **(g) Revenue Recognition**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenues as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipts of goods or services and /or legal obligations to pay.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

#### **(h) Use of Estimates**

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 revenue and expenses during the year. Actual results could differ from those estimates.

#### **(i) Government Transfers**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future; or the result of a direct financial return.

# LIIDLII KUE FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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March 31, 2019

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### 1. Significant Accounting Policies (Continued)

#### (i) Government Transfers (Continued)

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

#### (j) 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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

##### (i) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Amortization expense is recorded over the estimated useful lives of the assets using the following rates:

Buildings	4%	Declining Balance
Automotive equipment	30%	Declining Balance
Furniture and fixtures	30%	Declining Balance
Heavy equipment	40%	Declining Balance
Tools and equipment	30%	Declining Balance

##### (ii) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost. There is no significant inventory at year end.

#### (k) Financial Instruments - Recognition and Measurement

LKFN has elected the following classifications with respect to its financial assets and financial liabilities:

- Cash and restricted cash are classified as assets held-for-trading and is subsequently measured at fair value with gains and losses arising from changes in the fair value recognized in net income in the period in which they arise. The estimated fair value of cash is assumed to approximate its carrying amount.

# LIIDLII KUE FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 1. Significant Accounting Policies (Continued)

#### (k) Financial Instruments - Recognition and Measurement (Continued)

- Accounts receivable are classified as loans and receivables and are subsequently measured at amortized cost using the effective interest method. The amortized cost using the effective interest method approximates their fair values due to the short term nature.
- Accounts payable and accrued liabilities are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. At inception, the estimated fair values of accounts payable and accrued liabilities are assumed to approximate their carrying amounts.

Unless otherwise noted, it is management's opinion that LKFN is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### 2. Cash and Cash Equivalents

	2019	2018
Liildlii Kue First Nation:		
- Petty cash	\$ 1,000	\$ 1,000
- Bank current account	566,542	278,789
- Guaranteed income certificates	668,809	-
Liildlii Kue Society:		
- Bank current account	150,487	207,719
	<hr/> \$ 1,386,838	<hr/> \$ 487,508

The guaranteed income certificates bears interest at 0.6% per annum.

### 3. Accounts Receivable

	2019	2018
Trade and other GST refundable	\$ 193,003 57,379	\$ 180,359 38,076
Less allowances for doubtful for trade and other	( 250,382 59,647)	( 218,435 74,177)
	<hr/> \$ 190,735	<hr/> \$ 144,258

**LIIDLII KUE FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2019

**4. Contributions Receivable**

	2019	2018
Dehcho First Nations	\$ 47,849	\$ 48,410
Indigenous Services Canada	258,118	332,155
Government of NWT	65,086	53,619
Dalhousie University	-	8,500
	<hr/> \$ 371,053	<hr/> \$ 442,684

**5. Accounts Payable and Accrued Liabilities**

	2019	2018
Trade and other	\$ 465,615	\$ 322,828
Accrued wages and benefits	162,203	171,508
Remittances payable	30,286	3,079
	<hr/> \$ 658,104	<hr/> \$ 497,415

**6. Contributions Repayable**

	2019	2018
Government of NWT	\$ 12,500	\$ -

**LIIDLII KUE FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2019

7. **Deferred Contributions**

	2019	2018
Liidlili Kue First-Nation Indigenous Services Canada		
- Climate Change	\$ 111,242	\$ 227,537
- LKFN Policies	-	28,254
- P&ID	29,078	4,023
- Youth Employment	24,066	5,236
- Estates Management	13,310	-
- Sage50 Training	25,000	-
- Economic Development Officer	98,389	-
- Sage50 Training	19,619	-
Liidlili Kue Community Support Services	78,280	79,748
Liidlili Kue Council Travel	3,704	-
Dehcho First Nations Negotiations	34,885	75,050
DDEC - Language & Literacy	7,886	7,886
GNWT HSS - Community Wellness Initiatives	-	123
GNWT Justice - Reel Youth	-	577
New Horizons - Seniors	-	4,180
Minnie Letcher Memorial Trust	6,010	6,010
Construction of daycare funds	21,431	21,431
Enbridge - Community Development Fund	600,000	-
NTHC - Northern Pathways Maintenance Fund	19,342	-
 Sub-total	 1,092,242	 460,055
 Liidlili Kue Society Construction of New Office Complex	 439,689	 359,900
 \$ 1,531,931	 \$ 819,955	

**LIIDLII KUE FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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March 31, 2019

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8. **Callable Debt**

	2019	2018
Liidlii Kue Society CIBC demand term loan - prime plus 1% scheduled monthly installment of \$3,125 principal plus interest, due April 2028, secured by a General Security Agreement and guarantee from Lidlili Kue First Nation.	\$ 340,625	\$ -
Less scheduled current portion of callable debt	37,500	-
	<hr/> \$ 303,125	<hr/> \$ -

Unless demand by the bank, the scheduled principal repayment of the callable debt for the next five years are as follows:

2020	\$ 37,500
2021	37,500
2022	37,500
2023	37,500
2024	190,625
	<hr/> \$ 340,625

**LIIDLII KUE FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2019

**9. Tangible Capital Assets**

	Beginning of Year	Additions	Disposals	End of Year
Cost				
Lands	\$ 156,691	\$ -	\$ -	\$ 156,691
Buildings	2,589,336	472,665	-	3,062,001
Automotive equipment	465,544	-	-	465,544
Furniture and fixtures	8,019	-	-	8,019
Heavy equipment	25,000	-	-	25,000
Tools and equipment	70,951	-	-	70,951
<b>Total Cost</b>	<b>\$ 3,315,541</b>	<b>\$ 472,665</b>	<b>\$ -</b>	<b>\$ 3,788,206</b>
Accumulated Amortization	Beginning of Year	Current Charge	Disposals	End of Year
Land	\$ -	\$ -	\$ -	\$ -
Buildings	380,729	93,764	-	474,493
Automotive equipment	455,191	9,639	-	464,830
Furniture and fixtures	7,039	196	-	7,235
Heavy equipment	24,917	25	-	24,942
Tools and equipment	70,609	68	-	70,677
<b>Total Accumulated Amortization</b>	<b>\$ 938,485</b>	<b>\$ 103,692</b>	<b>\$ -</b>	<b>\$ 1,042,177</b>
Net Book Value	Beginning of Year			End of Year
<b>Total Net Book Value</b>	<b>\$ 2,377,056</b>			<b>\$ 2,746,029</b>

# LIIDLII KUE FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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March 31, 2019

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### 10. Long Term Investments

#### Liidlili Kue Society

Liidlili Kue Society (the "Society") was incorporated under the *Societies Act of Northwest Territories* on April 1, 2003. On behalf of Dene members of the Liidlili Kue First Nation, the objects of the Society are to:

1. carry out the Dene Organization activities in the Fort Simpson areas;
2. assist Dene People in participating in the Canadian economic structure;
3. provide a vehicle to develop self-sufficiency, education, social and cultural programs

The Society is a government not-for-profit organization and is exempt for income tax purposes under Section 149 of the *Income Tax Act*.

The consolidated financial statements of Liidlili Kue Society includes the accounts of Liidlili Kue Society and its wholly owned subsidiary, Nogha Enterprises Ltd. using the modified equity method.

The following summarizes the consolidated financial position and consolidated results of operations of Liidlili Kue Society as at and for the year ended March 31, 2019.

	2019	2018
<b>Consolidated Financial Position</b>		
Current assets	\$ 202,666	\$ 246,591
Non-current assets	5,560,704	3,871,174
Total assets	5,763,370	4,117,765
Total liabilities	2,453,965	1,948,980
Net assets	\$ 3,309,405	\$ 2,168,785
 <b>Consolidated Financial Performance</b>		
Revenue	\$ 815,329	\$ 257,443
Expenditure	( 265,796)	( 293,426)
Other revenue (expenditure)	591,087	( 401,770)
Net earnings (loss)	\$ 1,140,620	\$( 437,753)

## **LIIDLII KUE FIRST NATION**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2019**

#### **10. Long Term Investments (Continued)**

##### Nogha Enterprises Ltd.

Liidlii Kue Society owns 100% of Nogha Enterprises Ltd. The principal activities of the Company are general contracting, aviation fuel sales and fire suppression.

The following summarizes the financial position and results of operations of Nogha Enterprises Ltd. as at and for the year ended March 31, 2019.

	2019	2018
<b>Financial Position</b>		
Current assets	\$ 2,017,465	\$ 875,933
Non-current assets	1,006,289	1,173,887
<b>Total assets</b>	<b>3,023,754</b>	<b>2,049,820</b>
<b>Total liabilities</b>	<b>1,828,308</b>	<b>1,445,461</b>
<b>Total shareholder's equity (capital deficiency)</b>	<b>\$ 1,195,446</b>	<b>\$ 604,359</b>
<b>Financial Performance</b>		
Revenue	\$ 9,240,294	\$ 3,105,139
Direct costs	( 2,832,960)	( 1,912,126)
General and administration	( 5,757,590)	( 1,599,692)
Other revenue (expenses)	4,779	10,323
Income taxes recovered (expense)	( 63,436)	27,218
<b>Net income (loss)</b>	<b>\$ 591,087</b>	<b>\$ ( 369,138)</b>
<b>Investment</b>		
Share at cost	\$ 35	\$ 35
Amount receivable	811,218	349,053
Accumulated earnings (loss)	1,195,411	604,324
	<b>\$ 2,006,664</b>	<b>\$ 953,412</b>

##### Deh Cho Helicopters Regional Limited Partnership

Liidlii Kue First Nation owns 14.3 % of Deh Cho Helicopters Regional Limited Partnership.

Deh Cho Helicopters Regional Limited Partnership ("Partnership") was established in accordance with the limited partnership agreement dated June 1, 2004 pursuant the Partnership Act. The Partnership's principal activities are to own and lease an Eurocopter AS350 B2 Helicopter and other helicopter charters through Great Slave Helicopters Ltd. in the Deh Cho areas in Northwest Territories. The partners are:

# LIIDLII KUE FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 10. Long Term Investments (Continued)

#### Deh Cho Helicopters Regional Limited Partnership (Continued)

(i)	Deh Cho Air Limited Partnership - Limited Partner	5,000 units
(ii)	Fort Simpson Melis Local 52 - Limited Partner	5,000 units
(iii)	Nahanni Butte Dene Band - Limited Partner	5,000 units
(iv)	Sambaa Ke' First Nation - Limited Partner	5,000 units
(v)	Jean Marie River First Nation - Limited Partner	5,000 units
(vi)	Pehdzeh Ki First Nation - Limited Partner	5,000 units
(vii)	Liidlili Kue First Nation - Limited Partner	5,000 units

The following summarizes the financial position and results of operations of Deh Cho Helicopters Regional Limited Partnership as at and for the year ended May 31, 2018.

	2018	2017
<b>Financial Position</b>		
Current assets	\$ 2,258,416	\$ 1,888,083
Equipment	761,493	927,537
<b>Total assets</b>		
Total assets	3,019,909	2,815,620
Total liabilities	22,968	35,235
<b>Total partners' equity</b>		
Total partners' equity	\$ 2,996,941	\$ 2,780,385
Partners' equity attributable to LKFN	\$ 336,678	\$ 305,742
<b>Financial Performance</b>		
Total revenue	\$ 477,629	\$ 405,503
Total expenses	261,073	309,931
Net earnings	216,556	95,572
Net earnings attributable to LKFN	\$ 30,937	\$ 13,653
<b>Investment</b>		
Capital	\$ 5,000	\$ 5,000
Accumulated earnings	331,678	300,742
Net investment	\$ 336,678	\$ 305,742
<b>Total Net Investments</b>	<b>\$ 2,343,342</b>	<b>\$ 1,259,154</b>

**LIIDLII KUE FIRST NATION**  
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**11. Accumulated Surplus**

	2019	2018
Unrestricted		
General Operating Fund	\$ 1,521,181	\$ 1,271,848
Enterprise Fund	2,343,342	1,259,154
	<hr/> \$ 3,864,523	<hr/> \$ 2,531,002

**12. Government Transfers**

	2019	2018
Government of Canada - Indigenous Services Canada	\$ 634,419	\$ 674,583
Dehcho First Nation	329,728	515,242
Government of NWT	1,003,825	1,077,706
Government of Canada	156,544	242,319
	<hr/> \$ 2,124,516	<hr/> \$ 2,509,850

**LIIDLII KUE FIRST NATION**  
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**13. Expenditure by Object**

	2019	2019	2018
	Budget	Actual	Actual
Administration	\$ 72,500	\$ 134,396	\$ 144,385
Advertising and promotion	-	-	1,173
Amortization	-	103,693	98,550
Bad debts	-	( 11,205)	11,389
Bank charges and interest	5,000	25,366	5,675
Community events	120,000	100,175	92,096
Contracted services	13,000	48,459	241,768
Contributions repaid	-	27,722	12,846
Donations	20,000	35,415	16,576
Honoraria	12,000	10,079	57,979
Insurance	12,000	16,943	34,663
Loss (gain) on disposal of assets	-	-	32,632
Materials and supplies	266,447	275,216	265,101
Meeting and workshop	85,000	58,092	28,076
Office	109,023	125,253	134,122
Professional fees	1,195,092	846,328	629,337
Property taxes	-	38,231	73,814
Rent	26,000	28,448	37,649
Repairs and maintenance	56,954	39,737	113,445
Telephone and Internet	24,000	31,883	20,939
Training and scholarships	-	914	929
Travel and accommodation	191,889	214,471	212,606
Utilities	74,500	92,228	86,202
Wages and benefits	1,513,723	1,408,836	1,357,461
<b>Total Expenditure</b>	<b>\$ 3,797,128</b>	<b>\$ 3,650,680</b>	<b>\$ 3,709,413</b>

**14. Economic Dependence**

LKFN receives a major portion of its revenue from the Indigenous Services Canada of the Government of Canada and the Government of Northwest Territories. The nature and extent of this revenue is of such significance that LKFN is economically dependent on this source of revenue.

**LIIDLII KUE FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**15. Comparative Figures**

Certain figures presented for comparative purposes have been reclassified to conform with current year's presentation.

**16. Financial Instruments and Risk Management**

The LKFN's financial instruments are exposed to certain risks, which include credit risk, market risk, interest rate risk and liquidity risk.

Credit Risk - Credit risk refers to the potential that the funding agencies or counter party to a financial instrument will fail to discharge its contractual obligations. The LKFN is exposed mainly to credit risk from funding agencies' refusal to contribute the full funding due to the LKFN's non-compliance to the contribution agreements. The LKFN manages credit risk by ensuring that it complies with the terms and conditions of the contribution agreements.

Liquidity Risk - Liquidity risk is the risk that the LKFN will not be able to meet its financial obligations as they fall due. The LKFN manages liquidity risk through the management of its capital structure.

Unless otherwise noted, it is management's opinion that the LKFN is not exposed to other significant interest, currency and market risks arising from these financial instruments.