

**Blueberry River First Nation**  
**Consolidated Financial Statements**  
*March 31, 2019*

**Blueberry River First Nation**  
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*For the year ended March 31, 2019*

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## Management's Responsibility

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To the Members of Blueberry River First Nations:

The accompanying consolidated financial statements of Blueberry River First Nations are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Blueberry River First Nations Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 18, 2019

Originally signed by Merli de Guzman

Administrator

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## Independent Auditor's Report

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To the Members of Blueberry River First Nations:

### Opinion

We have audited the consolidated financial statements of Blueberry River First Nations and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, accumulated surplus, changes in net financial assets (net 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, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Edmonton, Alberta

July 18, 2019

*MNP LLP*

Chartered Professional Accountants

**Blueberry River First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2019*

	<b>2019</b>	<b>2018</b>
<hr/>		
<b>Financial assets</b>		
Cash (Note 2)	12,200,346	8,775,212
Accounts receivable (Note 3)	1,267,326	1,464,451
ISC capital and revenue trust funds (Note 4)	83,377	48,282
Long-term investments (Note 5)	869,244	824,738
<b>Total of assets</b>	<b>14,420,293</b>	<b>11,112,683</b>
<hr/>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,238,769	2,009,730
Deferred revenue (Note 6)	2,269,831	1,062,542
Distributions due to minors (Note 7)	5,072,500	5,582,000
Long-term debt (Note 8)	1,801,382	2,036,839
ISC Treaty Land Entitlement debt (Note 9)	3,828,725	3,551,309
<b>Total of financial liabilities</b>	<b>14,211,207</b>	<b>14,242,420</b>
<hr/>		
<b>Net financial assets (net debt)</b>	<b>209,086</b>	<b>(3,129,737)</b>
<hr/>		
<b>Contingencies (Note 10)</b>		
<b>Guarantee (Note 11)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	19,968,569	20,124,417
Prepaid expenses	-	27,788
<b>Total non-financial assets</b>	<b>19,968,569</b>	<b>20,152,205</b>
<hr/>		
<b>Accumulated surplus</b>	<b>20,177,655</b>	<b>17,022,468</b>
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Approved on behalf of Council

Originally signed by Chief Marvin Yahey

Chief

Originally signed by Wayne Yahey

Councillor

## Blueberry River First Nation Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2019*

	Schedules	2019 Budget	2019	2018
<b>Revenue</b>				
Indigenous Services Canada		2,063,407	2,456,413	3,029,002
Treaty 8 Agricultural Benefits claim settlement		-	-	21,501,304
Other government funding		161,390	1,118,077	291,266
First Nation Health Authority		619,378	564,607	503,259
Industry related funding		1,946,470	3,169,691	1,330,556
TCPL revenue		-	1,615,000	-
Other revenue		571,511	1,436,481	978,291
Donations		161,500	292,590	181,355
BC Hydro		497,864	505,053	592,811
Elders and monitors revenue		1,499,812	1,619,969	1,628,963
OGC revenue		720,000	780,000	-
Revenue allocation from other programs		1,954,976	1,607,465	1,474,164
Revenue allocated to other programs		(2,179,976)	(1,608,519)	(1,475,029)
Trust investment income		203,000	202,465	432,534
Deferred Revenue		-	(890,914)	-
<b>Total Revenue</b>		<b>8,219,332</b>	<b>12,868,378</b>	30,468,476
<b>Expenses</b>				
Administration Segment	3	1,175,314	1,410,486	1,363,069
Community Services Segment	4	3,092,331	4,132,542	4,190,395
Lands and Industry Segment	5	2,361,123	3,487,113	3,342,617
TLE Segment	6	649,338	659,522	12,767,375
<b>Total Expenses</b>		<b>7,278,106</b>	<b>9,689,663</b>	21,663,456
<b>Surplus before other income (expense)</b>		<b>941,226</b>	<b>3,178,715</b>	8,805,020
<b>Other income (expense)</b>				
Gain (loss) on disposal of tangible capital assets		-	(5,500)	4,346
Share of loss - Blueberry River Enterprises LP		-	(62,534)	(375,729)
Share of income (loss) - Blueberry Creever Trading Post		-	(20,521)	74,974
Share of income (loss) - 6 Nations Ventures		-	65,027	60,421
		-	<b>(23,528)</b>	(235,988)
<b>Surplus (deficit)</b>		<b>941,226</b>	<b>3,155,187</b>	8,569,032
<b>Accumulated surplus, beginning of year</b>		-	<b>17,022,468</b>	8,453,436
<b>Accumulated surplus, end of year</b>		<b>941,226</b>	<b>20,177,655</b>	17,022,468

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

**Blueberry River First Nation**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**  
*For the year ended March 31, 2019*

	<b>2019 Budget</b>	<b>2019</b>	<b>2018</b>
<b>Annual surplus</b>	<b>941,226</b>	<b>3,155,187</b>	8,569,032
Purchases of tangible capital assets	-	<b>(707,351)</b>	(1,338,257)
Amortization of tangible capital assets	-	<b>837,699</b>	795,040
Gain on sale of tangible capital assets	-	<b>5,500</b>	(4,346)
Proceeds on disposal of tangible capital assets	-	<b>20,000</b>	4,347
Acquisition of prepaid expenses	-	-	(27,788)
Use of prepaid expenses	-	<b>27,788</b>	4,684
<b>Increase in net financial assets</b>	<b>941,226</b>	<b>3,338,823</b>	8,002,712
<b>Net debt, beginning of year</b>	<b>(3,129,737)</b>	<b>(3,129,737)</b>	(11,132,449)
<b>Net financial assets (net debt), end of year</b>	<b>(2,188,511)</b>	<b>209,086</b>	(3,129,737)

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



**Blueberry River First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus (deficit)	3,155,187	8,569,032
Non-cash items		
Amortization	837,699	795,040
Bad debts (recovery)	(108,177)	(53,922)
(Income) loss re-invested in Nation's businesses	18,028	(135,395)
ISC capital and revenue trust funds	(35,095)	(25,201)
Gain on disposal of capital assets	5,500	(4,346)
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Changes in working capital accounts	3,873,142	9,145,208
Accounts receivable	305,299	45,830
Prepaid expenses	27,788	(23,104)
Accounts payable and accrued liabilities	(770,961)	(995,636)
Deferred revenue	1,207,289	552,073
Distributions due to minors	(509,500)	4,381,000
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	4,133,057	13,105,371
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<b>Financing/Investing activities</b>		
Repayment of long-term debt	(297,988)	(3,350,345)
Treaty land entitlement debt	277,416	(187,838)
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	(20,572)	(3,538,183)
<hr/>		
<b>Capital activities</b>		
Purchases of tangible capital assets	(707,351)	(1,338,257)
Proceeds on disposal of tangible capital assets	20,000	4,347
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	(687,351)	(1,333,910)
<hr/>		
<b>Increase in cash resources</b>	<b>3,425,134</b>	<b>8,233,278</b>
<b>Cash resources, beginning of year</b>	<b>8,775,212</b>	<b>541,934</b>
<hr/>		
<b>Cash resources, end of year</b>	<b>12,200,346</b>	<b>8,775,212</b>

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

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

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**1. Significant accounting policies**

These consolidated financial statements are the representations of management and are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada and are consistent with the accounting policies set out by the Department of Indigenous Services Canada. These consolidated financial statements are subject to review by the nation's funding agents. It is possible that adjustments could be made based on results of their reviews. Significant aspects of the accounting policies adopted by the Nation are as follows:

***Basis of Presentation and revenue recognition***

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable under the terms of applicable funding agreements; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Unrestricted government transfers are recognized when they become receivable under the terms of applicable funding agreements. Restricted government transfers are deferred and recognized as revenue in the period in which the resources are used for the purposes specified.

Oil and gas royalties are paid in trust to the Government of Canada on behalf of the Blueberry River First Nation pursuant to the provisions of the Indian Oil and Gas Act and Regulations. This revenue is recognized in the accounts of the Blueberry River First Nation when reported by the Government of Canada.

Oil and gas company revenues regarding monitoring invoices issued by Blueberry River First Nation are recorded as revenue when payment is received.

***Reporting entity***

These consolidated financial statements include Blueberry River First Nation and all related entities which are accountable to the Nation and are either owned or controlled by the Nation.

Business entities, which are owned or controlled by Blueberry River Nations and which are not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method, as outlined in Note 5. Under the modified equity method, the equity method of accounting is modified only to the extent that the accounting principles of the business entity are not adjusted to conform with those of the Nation. Thus, the Nation's investment in these enterprises is recorded at cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. These business entities include Six Nations Ventures L.P., Blueberry River Enterprises LP. and 0851799 BC Ltd (operating as Creever Trading Post).

***ISC capital and revenue trust funds***

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the balance sheet with an offsetting amount in accumulated surplus. Trust moneys consist of:

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

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

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

**Use of estimates**

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in income in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectability. Investment in Nation business entities is stated after evaluation as to valuation and collectability of advances. Amortization is based on the estimated useful lives of tangible capital assets.

**Asset classification**

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

**Non-financial assets**

The Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

**Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development and betterment of the asset.

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost, less residual value, of the assets over their estimated useful lives:

Automotive equipment	30% diminishing balance
Buildings	4% diminishing balance
Computer equipment	100% diminishing balance
Equipment	20% diminishing balance
Guiding and outfitting license	4% diminishing balance
Leasehold improvements	20% diminishing balance
Water and sewer, roads and drainage	4% diminishing balance

In the year of acquisition, amortization is calculated at one-half of the annual rates.

**Long-lived assets**

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in deficit for the year.

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

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

**Net financial assets (net debt)**

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

**Segments**

The First Nation conducts its business through four reportable segments: Administration, Community Services, Lands and Industry and TLE. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

**Financial instruments**

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The First Nation subsequently investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. All other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value.

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

**2. Cash**

	2019	2018
Band general bank accounts	12,102,901	8,676,823
Band general GIC funds	21,614	21,614
EBA Trust RBC bank accounts	1,511	1,563
Investment cash accounts	74,320	75,212
	12,200,346	8,775,212

**3. Accounts receivable**

	2019	2018
Member receivables	21,837	24,194
Accounts receivable - trade and other	1,854,164	2,341,250
Allowance for doubtful accounts	(608,675)	(900,993)
	1,267,326	1,464,451

**4. ISC capital and revenue trust funds**

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

	2019	2018
<b>Capital Trust</b>		
Balance, beginning of year	9,249	9,249
Balance, end of year	9,249	9,249
<b>Revenue Trust</b>		
Balance, beginning of year	39,033	13,832
Interest income	674	780
Land leases	34,421	24,421
Balance, end of year	74,128	39,033
	83,377	48,282

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

**5. Long-term investments**

The First Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Accumulated other comprehensive income (loss)</i>	<i>2019</i> <i>Total investment</i>
<b>Investments at cost:</b>					
Bluevest Contractors Inc. - 50%	50	-	-	-	50
Blueberry Economic Development Inc. - 100%	1	-	-	-	1
Investment in Traplines	180,000	-	-	-	180,000
<b>Six Nations Ventures, L.P.</b>					
Investment in 16.67%	1	-	464,852	65,027	529,880
<b>Blueberry River Enterprises, L.P.</b>					
100% investment in 60 shares	-	2,457,042	(2,394,508)	(62,534)	-
<b>0851799 BC Ltd. (o/a Creever Trading Post)</b>					
100% investment in 1 share	1	465,128	(285,295)	(20,521)	159,313
	<b>180,053</b>	<b>2,922,170</b>	<b>(2,214,951)</b>	<b>(18,028)</b>	<b>869,244</b>

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Accumulated other comprehensive income (loss)</i>	<i>2018</i> <i>Total investment</i>
<b>Investments at cost:</b>					
Bluevest Contractors Inc. - 50%	50	-	-	-	50
Blueberry Economic Development Inc. - 100%	1	-	-	-	1
Investment in Traplines	180,000	-	-	-	180,000
<b>Six Nations Ventures, L.P.</b>					
Investment in 16.67%	1	-	404,431	60,421	464,853
<b>Blueberry River Enterprises, L.P.</b>					
100% investment in 60 shares	-	2,394,508	(2,018,779)	(375,729)	-
<b>0851799 BC Ltd. (o/a Creever Trading Post)</b>					
100% investment in 1 share	1	465,128	(360,269)	74,974	179,834
	<b>180,053</b>	<b>2,859,636</b>	<b>(1,974,617)</b>	<b>(240,334)</b>	<b>824,738</b>

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

**5. Long-term investments** *(Continued from previous page)*

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

	<i>Six Nations Ventures L.P. As at December 31, 2018</i>	<i>Blueberry River Enterprises L.P. As at March 31, 2019</i>	<i>0851799 BC Ltd. (o/a Creever Trading Post) As at March 31, 2019</i>
<b>Assets</b>			
Cash	984,966	143,416	21,452
Accounts receivable	104,348	279,439	4,559
Investments	-	5,236	-
Prepaid expenses	60,542	12,125	-
Property and equipment	1,572,149	148,320	129,341
Patronage allocation	6,940	783	-
Term deposits	651,659	-	-
<b>Total assets</b>	<b>3,380,604</b>	<b>589,319</b>	<b>155,352</b>
<b>Liabilities</b>			
Accounts payable and accruals	214,427	394,488	30,637
Bank indebtedness	-	314,936	-
Due to related party	-	3,017,999	430,520
<b>Total liabilities</b>	<b>214,427</b>	<b>3,727,423</b>	<b>461,157</b>
<b>Partners' equity</b>	<b>3,166,177</b>	<b>(3,138,104)</b>	<b>(305,805)</b>
<b>Total revenue</b>	<b>2,658,062</b>	<b>1,234,653</b>	<b>634,265</b>
<b>Total expenses</b>	<b>2,270,433</b>	<b>1,372,092</b>	<b>654,786</b>
<b>Income before other items</b>	<b>387,629</b>	<b>(137,439)</b>	<b>(20,521)</b>
<b>Other income (loss)</b>	<b>2,529</b>	<b>285,518</b>	<b>-</b>
<b>Comprehensive income</b>	<b>390,158</b>	<b>148,079</b>	<b>(20,521)</b>

**6. Deferred revenue**

	<b>2019</b>	<b>2018</b>
Indigenous Services Canada	1,275,115	299,364
First Nation Health Authority	97,315	58,978
Deferred revenue - others	897,401	704,200
	<b>2,269,831</b>	<b>1,062,542</b>

**7. Distributions due to minors**

In past years, there were various different distributions to each member, paid out to adult members only. These include \$2,000 in 2006; \$1,000 in 2007; \$2,000 in 2008; \$1,000 in January 2009; \$1,000 in December 2009; \$2,000 in 2010; \$500 in 2013 and \$25,000 in 2018. Adults were paid, but the minors will not be paid until they turn 19 years of age. The amount payable is \$5,072,500 (2018 - \$5,582,000).

**Blueberry River First Nation**  
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**8. Long-term debt**

	<b>2019</b>	<b>2018</b>
Royal Bank term loan repayable in monthly installments of \$16,803, including interest at 3.90%, due June 2023	<b>1,795,263</b>	2,009,700
Royal Bank mortgage repayable in monthly installments of \$1,129 including interest at 2.29% guaranteed by ISC, due September 2019	<b>6,119</b>	27,139
	<b>1,801,382</b>	2,036,839

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

	Principal
2020	139,659
2021	138,842
2022	144,354
2023	150,086
2023 and thereafter	1,228,441
	1,801,382

Interest on long-term debt amounted to \$74,463 (2018 - \$228,036).

The Royal Bank loans are secured by a General Security Agreement executed by the First Nation providing a charge over all assets and undertakings; a First Nation council resolution authorizing borrowing of up to \$7,000,000 for construction of a multi-purpose building and \$500,000 for furniture and fixtures; an assignment of monies from the EBA Trust, any shortfall in loan payments must be made from funds in the Blueberry Trust, supported by a letter from the Trustees of the Blueberry Trust Society.

The First Nation has revolving line of credit with a limit of \$500,000 of which \$nil (2018 - \$nil) was drawn. The facility bears interest per annum at Royal Bank prime plus 3.1% (2018 - prime plus 3.1%).



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**9. ISC Treaty Land Entitlement Debt**

Blueberry River First Nations is negotiating Treaty Land Entitlement claims with the Government of Canada. ISC has made these loans to assist the Nation to fund these negotiations. Should a loan become due and payable while the claim is still in negotiation, the loan repayment date will be extended for five years or a period deemed appropriate to coincide with the anticipated claim settlement date. There are multiple components to the loans:

	<b>2019</b>	<b>2018</b>
<b>Treaty Land Entitlement Loans</b>		
Component one matured March 31, 2010. Extended to settlement date.	<b>73,552</b>	73,552
Component two matured March 31, 2011. Extended to settlement date.	<b>287,789</b>	287,789
Component three matured March 31, 2012. Extended settlement date.	<b>85,397</b>	85,397
Component four matured March 31, 2012. Extended to settlement date.	<b>317,464</b>	317,464
Component five matured March 31, 2016. Extended to settlement date.	<b>309,938</b>	309,938
Component six matured March 31, 2016. Extended to settlement date.	<b>389,571</b>	389,571
Component seven matured March 31, 2016. Extended to settlement date.	<b>628,201</b>	628,201
Component eight matured March 31, 2016. Extended to settlement date.	<b>392,199</b>	392,199
Component nine matured March 31, 2018. Extended to settlement date.	<b>12,502</b>	12,502
Component ten matured March 31, 2018. Extended to settlement date.	<b>350,275</b>	350,275
Component twelve matured March 31, 2018. Extended to settlement date.	<b>200,000</b>	200,000
Component thirteen matured March 31, 2018. Extended to settlement date.	<b>62,899</b>	62,899
Component fourteen matured March 31, 2018. Extended to settlement date.	<b>116,830</b>	116,830
Component fifteen matured March 31, 2018. Extended to settlement date.	<b>172,217</b>	172,217
Component seventeen is repayable on March 31, 2019. Extended to settlement date.	<b>152,475</b>	152,475
Component eighteen March 31, 2020 or the settlement date.	<b>175,550</b>	-
Component nineteen March 31, 2023 or the settlement date.	<b>101,866</b>	-
	<b>3,828,725</b>	<b>3,551,309</b>

The loans are all interest free unless the Nation defaults or the loans reach maturity.

**10. Contingencies**

These consolidated financial statements are subject to review by the Nation's funding agents. It is possible that adjustments, that may include repayment of amounts funded, could be made based on the results of their reviews.

**11. Guarantee**

As at March 31, 2019, the First Nation has guaranteed the Blueberry River Enterprises LP., a First Nation government business partnership, demand operating loan facility with a credit limit of \$500,000, of which at March 31, 2019 \$312,878 was drawn. The credit facility bears interest at prime plus 0.5% and is collateralized by a general security agreement and a guarantee from the First Nation. As at March 31, 2019, no liability has been recorded associated with this guarantee.

**Blueberry River First Nation**  
**Notes to the Consolidated Financial Statements**  
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**12. Financial Instruments**

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***Credit Risk***

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The First Nation manages its credit risk by performing regular credit assessments of its customers, provides allowances for potentially uncollectible accounts receivable, consider credit ratings of counterparties, etc.

***Liquidity Risk***

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation enters into transactions to purchase goods and services on credit; borrow funds from financial institutions or other creditors; lease office equipment from various creditors; etc., for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the First Nation's future net cash flows for the possibility of negative net cash flow.

Contractual maturities of long-term debt and ISC Treaty Land Entitlement Debt are disclosed in Notes 8 and 9.

The First Nation manages the liquidity risk resulting from its accounts payable and long-term debt by investing in liquid assets.

***Interest rate risk***

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

The Nation is exposed to interest rate risk with respect to long-term debt (Note 8). The Nation is exposed to significant interest rate price risk with respect to certain long-term debt amounts which bear interest at rates agreed upon at the time of issuance.

**13. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.