

Consolidated Financial Statements of

BLOOD TRIBE

And Independent Auditors' Report thereon

March 31, 2019

Management's Responsibility for Financial Reporting

Blood Tribe management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and the notes thereto. Management believes that the financial statements present fairly the Entity's financial position as at March 31, 2019 and the results of its operations for the year then ended.

The financial statements have been prepared in accordance with Canadian public sector accounting standards. Financial statements are not precise, since they include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

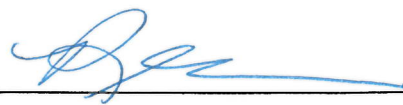
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintained a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Chief and Council fulfill these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council is also responsible for the appointment of the Entity's external auditors.

The financial statements have been audited by the independent firm of KPMG LLP, Chartered Professional Accountants. Their report to Chief and Council and the Members of the Blood Tribe, stating the scope of their examination and opinion on the financial statements, follows.



Senior Executive Officer



Senior Finance Officer



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INDEPENDENT AUDITORS' REPORT

To Chief and Council and Members of the Blood Tribe:

Opinion

We have audited the accompanying consolidated financial statements of Blood Tribe (the "Tribe"), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Tribe as at March 31, 2019 its results of operations, changes in 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Tribe 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.



Emphasis of Matter – Comparative Information

We draw attention to Note 3 to the financial statements ("Note 3"), which explains that certain comparative information presented for the year ended March 31, 2018 has been restated.

Note 3 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements of the year ended March 31, 2019, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended March 31, 2018. In our opinion, such adjustments are appropriate and have been properly applied.

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

Management is responsible for the preparation and fair presentation of the 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 Tribe'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 Tribe or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 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 Tribe'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 Tribe's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Tribe 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a single horizontal line.

Chartered Professional Accountants

Lethbridge, Canada

July 2, 2019

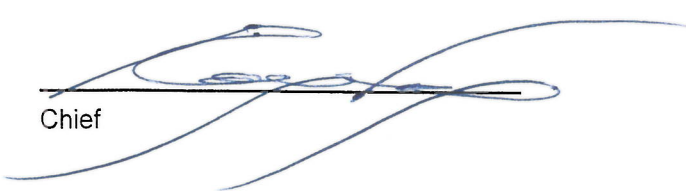
BLOOD TRIBE

Consolidated Statement of Financial Position
March 31, 2019, with comparative information for 2018

	2019	2018 (Restated - note 3)
Financial assets		
Cash and cash equivalents	\$ 18,238,565	\$ 2,085,396
Accounts receivable (note 6)	21,068,279	18,388,196
Temporary investments (note 5)	616,567	615,981
Investment in business enterprises (note 7)	20,993,745	17,566,720
Restricted Cash (note 8)	12,970,950	11,691,273
Funds held in trust (note 9)	71,120,883	72,179,199
	145,008,989	122,526,765
Financial liabilities		
Account payable and accrued liabilities (note 11)	11,046,561	10,090,747
Deferred revenue (note 12)	23,137,580	15,333,234
Long-term debt (note 13)	29,859,495	31,439,101
	64,043,636	56,863,082
Net assets	80,965,353	65,663,683
Non-financial assets		
Tangible capital assets (schedule 1)	140,844,369	132,869,070
Prepaid expenses	1,420,048	3,088,565
Inventory for consumption	9,709	102,352
	142,274,126	136,059,987
Contingencies, commitments and guarantees (note 14)		
Accumulated surplus (note 16)	\$ 223,239,479	\$ 201,723,670

See accompanying notes to consolidated financial statements.

On Behalf of the Tribe



Chief

Council Member

BLOOD TRIBE

Consolidated Statement of Operations and Accumulated Surplus
Year ended March 31, 2019, with comparative information for 2018

	Budget	2019	2018 (Restated - note 3)
Revenue:			
Indigenous Services Canada (ISC) (note 19)	\$ 96,386,648	\$114,516,537	\$ 107,243,622
First Nations Development Fund	--	1,963,495	4,448,301
Band Capital fund (schedule 28)	6,731,897	4,420,397	2,739,597
Band Revenue Fund (schedule 29)	2,896,037	13,255,729	1,980,237
Big Lease funds	700,000	1,665,464	3,200,700
Canada Mortgage and Housing Corporation Subsidy	1,409,571	1,545,752	2,620,741
Tribal Council Funding	3,691,222	3,758,613	3,756,847
Federal and Provincial Funding and Grants	13,189,860	17,310,010	12,736,474
Rent	5,443,929	5,283,539	4,616,463
Interest income	103,092	105,879	219,519
Other revenue	21,242,588	18,321,599	10,207,060
Deferred revenue	226,897	1,160,910	(1,478,229)
Total revenue	152,021,741	183,307,924	152,291,332
Program expenses (schedule 2):			
Blood Band Housing Authority (schedule 3)	3,343,347	3,457,118	4,309,306
Blood Indian Band Housing Society (schedule 4)	3,012,807	3,316,553	4,699,405
Blood Reserve School Bus Co-op Ltd	5,788,311	5,788,311	5,526,686
Blood Tribe Administration (schedule 6)	10,372,300	14,560,921	15,662,656
Blood Tribe Department of Health (schedule 7)	15,343,410	19,960,816	16,495,955
Blood Tribe Economic Development (schedule 8)	791,596	1,823,194	1,370,861
Blood Tribe Employment and Skills Training (schedule 9)	2,686,505	3,259,955	2,949,284
Blood Tribe Family and Community Support Services (schedule 10)	2,820,432	2,971,839	2,855,324
Blood Tribe Lands (schedule 12)	2,156,745	2,276,170	1,912,439
Blood Tribe Police Services (schedule 13)	6,096,000	6,911,000	6,888,562
Blood Tribe Public Works (schedule 14)	4,575,164	9,267,871	9,688,761
Blood Tribe Real Estate (schedule 15)	1,614,243	1,538,246	1,554,677
Blood Tribe Recreation (schedule 16)	2,378,421	3,206,047	3,360,953
Blood Tribe Revenue Fund (schedule 17)	899,588	6,348,092	892,589
Blood Tribe Social Development (schedule 18)	14,274,008	18,508,365	18,595,496
Blood Tribe/Kainai WW II Bombing and Gunnery Specific Claim Trust (schedule 19)	36,986	117,754	84,981
Kainai Education Society (schedule 20)	30,062,257	31,090,448	29,669,387
Kainai Manufactured Home Park (schedule 21)	--	143	143
Kainaiwa Akers Specific Claims Trust No. 1 and No. 2 (schedule 22)	444,849	559,068	558,801
Kainaiwa Children's Services Corporation (schedule 23)	14,454,321	15,629,038	14,423,910
Kainaiwa Developments Ltd. (schedule 24)	147,471	261,805	202,621
Kainaiwa Resources Inc. (schedule 25)	781,575	919,773	855,125
Ninastako Student Housing (schedule 26)	315,656	347,362	344,776
Red Crow Community College (schedule 27)	13,786,427	13,099,251	10,396,281

BLOOD TRIBE

Consolidated Statement of Operations and Accumulated Surplus
Year ended March 31, 2019, with comparative information for 2018

	Budget	2019	2018 (Restated - note 3)
Total expenses	136,182,419	165,219,140	153,298,979
Surplus (deficit) before other items	15,839,322	18,088,784	(1,007,647)
Other income (expense):			
Gain from operation of investment in business enterprises (note 7)	--	3,427,025	2,574,868
Surplus for the year	15,839,322	21,515,809	1,567,221
Accumulated surplus, beginning of year	201,723,670	201,723,670	200,156,449
Accumulated surplus, end of year	\$217,562,992	\$223,239,479	\$ 201,723,670

See accompanying notes to consolidated financial statements.

BLOOD TRIBE

Consolidated Statement of Changes in Net Financial Assets
Year ended March 31, 2019, with comparative information for 2018

	Budget	2019	2018 (Restated - note 3)
Surplus for the year	\$ 15,839,322	\$ 21,515,809	\$ 1,567,221
Change of tangible capital assets	--	(7,975,299)	(5,305,198)
Change in prepaid expenses	--	1,668,517	(323,901)
Change in inventory for consumption	--	92,643	101,499
Change in net financial assets	15,839,322	15,301,670	(3,960,379)
Net financial assets, beginning of year	--	65,663,683	69,624,062
Net financial assets, end of year	\$ (15,839,322)	\$ 80,965,353	\$ 65,663,683

See accompanying notes to consolidated financial statements.

BLOOD TRIBE

Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018 (Restated - note 3)
Cash provided by (used in)		
Operating activities:		
Surplus for the year	\$ 21,515,809	\$ 1,567,221
Non-cash items:		
Amortization	6,434,026	6,777,801
Deferred revenue	7,804,346	6,979,864
Loss (gain) from operations of business enterprises	(3,427,025)	(2,574,868)
	32,327,156	12,750,018
Changes in working capital accounts:		
Accounts receivable	(2,680,083)	3,022,121
Accounts payable and accruals	955,814	41,724
Moveable capital asset replacement reserve	--	(163,874)
Inventory	92,643	1,212,997
Prepaid expenses	1,668,517	(323,901)
	32,364,047	16,539,085
Financing activities:		
Change in long-term debt	(1,579,606)	2,294,273
Repayment of long-term debt		
	(1,579,606)	2,294,273
Capital activities:		
Change in tangible capital assets	(14,409,325)	(13,052,730)
Proceeds of disposal of tangible capital assets	--	--
	(14,409,325)	(13,052,730)
Investing activities:		
Decrease (increase) in temporary investments	(586)	4,001
Decrease (increase) in restricted cash	(1,279,677)	(6,655,065)
Transfers from business enterprises (note 7)	--	(2,023,604)
Decrease in trust assets	1,058,316	40,865
	(221,947)	(8,633,803)
Increase (decrease) in cash and cash equivalents	16,153,169	(2,853,175)
Cash and cash equivalents, beginning of year	2,085,396	4,938,571
Cash and cash equivalents, end of year	\$ 18,238,565	\$ 2,085,396

See accompanying notes to consolidated financial statements.

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

1. Operations:

The Blood Tribe (the "Tribe") is located in the province of Alberta, and provides various services to its members. The Tribe includes the Tribe's members, government and all related entities that are accountable to the Tribe and are either owned or controlled by the Tribe. The Blood Tribe is exempt from tax under Section 149 of the Income Tax Act.

2. Significant accounting policies:

These consolidated financial statements have been prepared in accordance with Canadian Public sector accounting standards and are consistent with accounting policies set out by Indigenous Services Canada ("ISC"). Significant aspects of the accounting policies adopted by the Blood Tribe are as follows:

(a) Reporting entity:

The Tribe reporting entity includes all controlled departments or entities that are accountable to the Blood Tribe, except for Tribe business enterprises.

The consolidated financial statements include the assets, liabilities, revenues and expenses of the following departments and entities:

Blood Tribe Administration	Red Crow Community College
Blood Tribe Department of Health Inc.	Blood Tribe Recreation
Blood Tribe Economic Development	Blood Tribe Revenue Fund
Blood Tribe Employment and Skills Training	Blood Tribe Social Development
Blood Tribe Family and Community Support Services	Kainai Education Society
Kainai Manufactured Home Park	Ninastako Student Housing
Kainaiwa Akers Specific Claims Trust No. 1 and No. 2	Blood Tribe First Nation Development Fund
Kainaiwa Children's Services Corporation	Blood Reserve School Bus co-op Ltd.
Kainaiwa Developments Ltd.	Blood Band Housing Authority
Kainaiwa Resources Inc.	Blood Indian Band Housing Society
Blood Tribe/Kainai WW II Bombing and Gunnery Range Specific Claim Trust	Blood Tribe Lands
	Blood Tribe Police Service
	Blood Tribe Public Works
	Blood Tribe Real Estate

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

The Blood Tribe business enterprises that are owned or controlled by the Blood Tribe Council and that are not dependent on the Blood Tribe for their continuing operations are included in the consolidated financial statements using the modified equity method. The Blood Tribe's investment in these enterprises is recorded at acquisition cost and is increased for the proportionate shares of post acquisition earnings and contributions and decreased by post acquisition losses and distributions received. Enterprises accounted for by the modified equity basis include:

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

2. Significant accounting policies: (continued)

(a) Reporting entity: (continued)

971445 Alberta Ltd.
1110340 Alberta Ltd.
1432126 Alberta Ltd.
Blood Tribe Agricultural Project Ltd., comprising
709204 Alberta Ltd. (O/a Blood Tribe Forage Processing Plant)
AOHKII 2018
Blood Tribe Oil and Gas Partnership
Kainai Housing Corporation
Kainai Marketplace Ltd.
St. Mary's Construction Company #7 Ltd.

(b) Basis of presentation

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

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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 assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(c) Pension expense

The Blood Tribe participates in a pension program covering substantially all full-time employees. Contributions to the plan are based on participants' contribution between 2.5% and 5.5% of their salary. The Tribe matches the participants' contribution. There have been no changes to the pension plan in the current year.

(d) Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

(e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business.

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

2. Significant accounting policies: (continued)

(f) Non-financial assets

(i) Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Construction in progress is recorded at the construction costs of the related project. Contributed tangible assets are recorded at their fair value at the date of contribution.

(ii) Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital lease are amortized on the straight-line basis over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

(iii) Amortization

The cost less residual value of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows.

		Years
Automotive and equipment	straight-line	10-30
Buildings	straight-line	20
Housing units	reverse sum of years	25
Infrastructure	straight-line	25

Assets under construction are not amortized until the asset is available for productive use.

(iv) Long-lived assets:

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

The Blood Tribe 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 operations for the year. Prices for similar items are used to measure fair value of long-lived assets.

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

2. Significant accounting policies: (continued)

(g) Funds held in Ottawa Trust Fund:

Funds held in trust on behalf of Blood Tribe members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on land or other Tribe tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

(h) Investment in business enterprises:

The Blood Tribe follows the modified equity method to account for its investment in business enterprises. The investment is stated at cost plus (less) the Blood Tribe's share of earnings (losses) since acquisition plus capital and operating transfers to (from) the business enterprises. The statement of operations for business enterprises include the business enterprises' annual surplus (deficit) for the year ended March 31, 2019. The business enterprises' accounting principles have not been adjusted to conform to those of the Blood Tribe.

(i) 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Inventories are valued at the lower of cost or net realizable value. Investment in business enterprises are recorded using the modified equity method after evaluation of any impairment. Liability for contaminated sites is based on estimated cost to remediate the site.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

(j) Revenue recognition:

Indigenous Services Canada ("ISC") and First Nations and Inuit Health ("FNIH")

The Blood Tribe recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Blood Tribe recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

2. Significant accounting policies: (continued)

(j) Revenue recognition: (continued)

Band Capital and Revenue Funds

The Blood Tribe recognizes revenue of the Capital and Revenue Fund as income is received and reported by the federal government.

Canada Mortgage and Housing Corporation ("CMHC")

CHMC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements, and is decreased for amounts anticipated to be repaid at year end.

Housing rental income

Rental revenue is recorded in the period it is earned.

Residential Rehabilitation Assistance Program ("RRAP")

RRAP provides five year, non interest bearing, forgivable loans for low income homeowners whose homes require major renovations. Revenue is reported upon substantial completion of the project. Any funds, which must be repaid because the homeowner did not comply with the terms of the assistance program is recognized as an expense in the year funds are repaid.

Community Future Treaty 7 ("CFT7") and Treaty 7 Management Corporation ("T7MC")

Treaty 7 provides funding for specific purposes. These funds are reported as revenue in the year the specific expenses are incurred. Funds which have not been expended by the fiscal year-end are recorded as deferred revenue and appear as a liability on the consolidated statement of financial position.

First Nations Development Fund ("FNDF")

FNDF provide funding for specific projects. These funds are reported as revenue in the year the specific expenses are incurred. Funds which have not been expended by the fiscal year end are recorded as deferred revenue and appear as a liability on the consolidated statement of financial position.

Other Government Funding

The Blood Tribe recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Tribe recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenue

All other revenue received that is not subject to funding agreements is recorded in the year in which it is earned and collection is reasonably assured

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

2. Significant accounting policies: (continued)

(k) Segments:

The Tribe conducts its business through 25 reportable segments: See "reporting entity" accounting policy note for list of all segments. These operating segments are established by senior management to facilitate the achievement of the Blood Tribe 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. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in the segments are consistent with those followed in the preparation of the consolidated financial statements.

(l) Liability for contaminated sites:

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Tribe is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2019.

At each financial reporting date, the Tribe reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Tribe continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2019, there is no liability for contaminated sites accrued in these consolidated financial statements.

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

3. Correction of error

Subsequent to the 2017 year end, it was determined that corrections were required to opening accumulated surplus and deferred revenue. The adjustment resulted in changes to the comparative information as follows:

Opening accumulated surplus at March 31, 2017, as previously reported	\$201,104,234
Increase in deferred revenue (i)	(947,785)
Accumulated surplus at March 31, 2017, as restated	200,156,449
Accumulated surplus at March 31, 2018, as previously reported	204,323,670
Increase in deferred revenue (i)	(2,600,000)
Accumulated surplus at March 31, 2018, as restated	201,723,670
Excess of revenue over expenses as previously reports	3,219,436
Decrease in deferred funds recognized as revenue	(1,652,215)
Excess of revenue over expenses, as restated	\$ 1,567,221

Nature of corrections:

i) Deferred revenue was understated by \$947,785 due to a Department incorrectly recognizing revenue of \$1,950,000 on a project that had only incurred expenses of \$1,002,215.

4. New and proposed accounting pronouncements:

Future Accounting Pronouncements

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). In 2020, the Tribe will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

PS 1201 - Financial statement presentation

The implementation of this standard requires a new statement of remeasurement gains and losses separate from the statement of operations. This new statement will include the unrealized gains and losses arising from the remeasurement of financial instruments and items denominated in a foreign currency. This standard is effective for fiscal years beginning on or after April 1, 2021.

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

4. New and proposed accounting pronouncements: (continued)

PS 3450 - Financial instruments

This section establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the government. Unrealized gains and losses will be presented on the new statement of remeasurement gains and losses arising from the adoption of PS 1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the derecognition of financial liabilities. As the Tribe does not invest in derivatives or equity instruments based on its investment policy, it is anticipated that the adoption of this standard will have a minimal impact on the Tribe. This standard is effective for fiscal years beginning on or after April 1, 2021.

PS 2601 - Foreign currency translation

This section establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currencies. The Section requires monetary assets and liabilities, denominated in a foreign currency and non-monetary items valued at fair value denominated in a foreign currency to be adjusted to reflect the exchange rates in effect at the financial statement date. The resulting unrealized gains and losses are to be presented in the new statement of remeasurement gains and losses. This standard is effective for fiscal years beginning on or after April 1, 2021.

PS 3041 - Portfolio investments

This section removes the distinction between temporary and portfolio investments and provides additional guidance on recognition, measurement, presentation and disclosure of portfolio investments. Upon adoption of this section and PS 3450, PS 3040 - Portfolio investments will no longer be applicable. This standard is effective for fiscal years beginning on or after April 1, 2021.

PS 3280 – Asset retirement obligations

This section provides guidance on how to account for and report a liability for retirement of a tangible capital asset. This section is effective for fiscal years beginning on or after April 1, 2021.

PS 3400 – Revenue

This section provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions. This section is effective for fiscal years beginning on or after April 1, 2022.

Adoption of new standards

PS 3430 - Restructuring transactions

This section provides guidance on the recognition, measurement and presentation on restructuring transactions by both the transferor and recipients of assets and/or liabilities, together with related program or operating responsibilities. The adoption of this standard had no impact on the current year financial statements.

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

5. Temporary investments:

Temporary investments consist of guaranteed investment certificates bearing interest at rates ranging from 1.36% to 1.99% (2018 - 0.59% to 1.15%) with varying maturity dates from June 22, 2019 to March 25, 2020.

6. Accounts receivable:

	2019	2018
Indigenous Services Canada	\$ 2,029,124	\$ 2,753,777
First Nations Development Fund	470,668	472,886
Canada Revenue Agency	1,804,922	1,804,922
Canada Mortgage and Housing Corporation	--	568,372
Due from non-consolidated entities	2,951,449	3,467,596
Housing rents	1,249,083	1,477,668
Other	9,983,138	5,978,075
Ottawa Trust	6,970,478	5,246,281
Water and garbage fees	102,163	53,088
	25,561,025	21,822,665
Less: Allowance for doubtful accounts	4,492,746	3,434,469
	\$ 21,068,279	\$ 18,388,196

7. Investments in First Nation business enterprises:

The Blood Tribe has investment in the following entities:

	2018 Investment in business enterprises	2019 Net income (loss)	2019 Equity transfers	2019 Investment in business enterprises
Wholly-owned Businesses:				
971445 Alberta Ltd. (KRI)	\$ 2,107,601	\$ 162,720	\$ --	\$ 2,270,321
1110340 Alberta Ltd. (KRI)	479,513	(54,000)	--	425,513
1432126 Alberta Ltd. (Akers)	5,954,260	--	--	5,954,260
Blood Tribe Oil and Gas Partnership (KRI)	1,000,000	--	--	1,000,000
Blood Agriculture Project	8,630,918	5,031,021	(1,619,674)	12,042,265
Kainai Agribusiness Corporation	16,496	(16,496)	--	--
Kainai Marketplace Ltd.	(547,530)	(76,546)	--	(624,076)
Kainai Housing Corporation	(74,539)	--	--	(74,539)
St. Mary's Construction Company #7 Ltd.	1	--	--	1
	\$ 17,566,720	\$ 5,046,699	\$ (1,619,674)	\$ 20,993,745

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Notes to Consolidated Financial Statements
Year ended March 31, 2019

7. Investments in First Nation business enterprises: (continued)

	2017 Investment in business enterprises	2018 Net income (loss)	2018 Equity transfers	2018 Investment in business enterprises
Wholly-owned Businesses:				
971445 Alberta Ltd. (KRI)	\$ 2,122,339	\$ (14,738)	\$ --	\$ 2,107,601
1110340 Alberta Ltd. (KRI)	955,013	(475,500)	--	479,513
1432126 Alberta Ltd. (Akers)	5,954,260	--	--	5,954,260
Blood Tribe Oil and Gas Partnership (KRI)	1,000,000	--	--	1,000,000
Blood Tribe Agricultural Project Ltd.	3,270,541	3,214,035	2,146,342	8,630,918
Kainai Agri-Business Corporation	16,496	--	--	16,496
Kainai Marketplace Ltd.	(274,363)	(150,429)	(122,738)	(547,530)
Kainai Housing Corporation	(76,039)	1,500	--	(74,539)
St. Mary's Construction Company #7 Ltd.	1	--	--	1
	\$ 12,968,248	\$ 2,574,868	\$ 2,023,604	\$ 17,566,720

The Blood Tribe has guaranteed the following debt on behalf of its First Nation business enterprises:

- a) Blood Tribe Agricultural Projects Ltd. has the following long-term debt which the Tribe has issued a guarantee for repayment:
 - (i) Blood Tribe Agricultural Projects Ltd. has a long-term debt due to the Bank of Montreal of \$140,000 (2018 - \$380,000), this term loan is payable in monthly instalments of \$20,000 (2018 - \$20,000 at an interest rate of prime plus 1.5% (2018 - prime plus 1.5%)), maturing 2020. Security consists of a general security agreement and guarantee by the Blood Tribe. The Blood Tribe has guaranteed \$nil (2018 - \$nil) of this long-term debt. Payments under this guarantee will remain in place until the long-term debt is fully repaid. Payment is required if the company defaults on the loan. No liability has been recorded associated with this guarantee.
- b) 709204 Alberta Ltd. (operating as Blood Tribe Processing Plant) has the following long-term debt which the Blood Tribe has issued a guarantee for repayment:
 - (i) 709204 Alberta Ltd. (a division of Blood Tribe Forage Agriculture Project Ltd.) has long-term debt due to the Bank of Montreal of \$2,510,724 (2018 - \$2,510,724), this term loan is payable in monthly instalments of \$44,643 (2018 - \$44,643) at an interest rate of prime plus 1.5% (2018 - prime plus 1.5%), maturing 2024. This loan is secured by related equipment with a net book value of \$2,877,014 (2018 - \$2,877,014) as well as a general security agreement with Chief and Council. The Blood Tribe has guaranteed \$2,510,724 (2018 - \$2,510,724) of this long-term debt. Payment under this guarantee will remain in place until the long-term debt is fully repaid. Payment is required if the company defaults on the loan. No liability has been recorded associated with this guarantee.

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

8. Restricted cash:

	2019	2018
Blood Tribe Lands	\$ 1,466,036	\$ 1,335,694
Blood Tribe First Nation Development Fund	2,532,395	1,518,699
Blood Tribe Department of Health	37,463	38,298
Kainai Manufactured Home Park	299,815	296,840
Blood Indian Band Housing Society	1,433,511	955,674
Red Crow Community College	7,201,730	7,546,068
	\$ 12,970,950	\$ 11,691,273

Blood Tribe Department of Health Inc. restricted cash must be used for future specific approved purchases under the MCARR and AYCES agreements. The amount is comprised of \$37,463 (2018 - \$38,298) for AYCES.

Blood Tribe First Nation Development Fund restricted cash represents funds which must be used for specific approved projects. Any underspending of funds must receive an approved redirection by Band Council Resolution and approval from First Nations Development Fund and the Province.

Blood Tribe Lands is involved in an agency agreement with the Blood Tribe land occupants whereby the Blood Tribe collects and disburses the rental income from renters and receives a 5% administration fee. This cash represents the amounts which have not been disbursed under the terms of the rental agreements. At at March 31, 2019, the Tribe Lands restricted cash account is under funded by \$227,701 (2018 - \$221,818) as compared to the amount owed to trusts and estates.

Blood Indian Band Housing Society restricted cash relates to annual contributions to a replacement reserve in accordance with Canada Mortgage and Housing Corporation ("CMHC") guidelines. In accordance with the terms of the agreements, CMHC reserve monies must be held or investment only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal. Funds within the reserve account are required to be set aside for the replacement of housing units in accordance with CMHC policies.

Red Crow Community College restricted cash related to insurance proceeds and other funds for the reconstruction of the campus, are term deposits that bear interest ranging from 2.06% to 2.40% and mature in August 2019

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

9. Funds held in trust:

	2019	2018
Capital trust		
Balance, beginning of year	\$ 59,472,754	\$ 59,284,457
Gas royalties	532,352	258,086
Oil royalties	3,350,181	2,669,808
Less: transfers	(4,420,397)	(2,739,597)
	58,934,890	59,472,754
Revenue trust		
Balance, beginning of year	6,547,257	6,569,290
Agricultural leasing	10,123,458	--
Compensation payments	18,389	2,506
Easement payments	94,912	339,435
Interest	1,666,642	994,820
Land leases	454,143	530,611
Subsurface leases	72,768	90,832
Less: transfers	(13,255,729)	(1,980,237)
	5,721,840	6,547,257
WWII Bombing & Gunnery Range Claim trust	5,507,189	5,558,852
Akers trust		
Akers Claim No. 1	618,954	610,713
Akers Claim No. 2	338,010	318,664
	956,964	929,377
	\$ 71,120,883	\$ 72,508,240

The Ottawa trust accounts arise from moneys 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. Sections 63 to 69 of the Indian Act primarily govern the management of these funds.

Akers Claim No. 1 and Akers Claim No. 2 are invested for the future benefit of the Tribe in a trust created by the Blood Tribe. Trustees appointed by the Chief and Council of the Blood Tribe on terms and conditions set out in the specified Trust Agreement shall administer the trust. The Akers Claim No. 1 and Akers Claim No. 2 consist of cash in the amount of \$274,508 (2018 - \$247,253) bearing interest at 2.10% (2018 - 1.29%), and guaranteed investment certificates totaling \$682,456 (2018 - \$682,124), bearing interest ranging from 1.85% to 3.25% (2018 - 2.65% to 2.75%) and having maturity dates ranging from August 18, 2019 to August 12, 2023.

Blood Tribe/Kainai WWII Bombing and Gunnery Range Specific Claim Trust are invested for the future benefit of the Blood Tribe in a trust created by the Blood Tribe. Trustees appointed by the Chief and Council of the Blood Tribe on terms and conditions set out in the specified Trust Agreement administer the trust. The WWII consist of money market funds bearing interest at 2.10%.

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

10. Bank indebtedness:

The Blood Tribe has a consolidated blanket overdraft facility of \$3,000,000 for Tribe departments and entities, which incurs interest at prime plus 1.25% (2018 - prime plus 1.25%). Security pledged consists of Band Council Resolutions authorizing individual departments and entity borrowings up to a total of \$3,000,000, duly acknowledgement by the Department of Indigenous and Northern Affairs Canada. The blanket overdraft is assessed on an overall basis for all Blood Tribe departments and entities, positive bank balances are netted with bank indebtedness and the amount is assessed by the bank, overall the Blood Tribe is in a positive net cash balance. As at March 31, 2019, the prime rate used by Bank of Nova Scotia was 3.95% (2018 - 3.45%)

11. Accounts payable and accruals:

	2019	2018
Accounts payable and accrued liabilities	\$ 9,313,911	\$ 8,480,257
Payable to trusts and estates - Lands	1,693,737	1,557,512
Payable to Land Occupants - Lands	38,913	52,978
	<u>\$ 11,046,561</u>	<u>\$ 10,090,747</u>

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

12. Deferred revenue:

The following table represents changes in the deferred revenue balance attributable to individual reporting entities:

	Balance, beginning of year	Contributions received	Contributions brought into revenue	Balance, end of year
Blood Indian Band Housing Society	\$ 16,995	\$ --	\$ 16,995	\$ --
Blood Tribe First Nation Development Fund	1,665,877	1,963,495	992,595	2,636,777
Blood Tribe Lands	68,000	100,000	108,000	60,000
Blood Tribe Recreation	10,292	14,872	10,292	14,872
Blood Tribe Administration	61,575	30,111	57,025	34,661
Blood Tribe Public Works	4,335,695	3,483,293	4,644,202	3,174,786
Blood Tribe Employment and Skills Training	--	102,850	--	102,850
Blood Tribe Family and Community Support Services	--	170,410	--	170,410
Kainai Board of Education	1,638,918	2,834,461	1,106,918	3,366,461
Red Crow Community College	7,416,082	1,704,312	1,160,839	7,959,555
Blood Tribe Police Services	--	31,000	--	31,000
Kainaiwa Children's Services Corporation	100,000	539,735	100,000	539,735
Kainaiwa Resources Inc.	19,800	44,800	19,800	44,800
Blood Tribe Department of Health Inc.	--	2,600,000	196,667	2,403,333
Blood Tribe Social Development	--	2,598,340	--	2,598,340
	\$ 15,333,234	\$ 16,217,679	\$ 8,413,333	\$ 23,137,580

Red Crow Community College deferred revenue aggregates \$7,959,555 (2018 - \$7,416,082). The March 31, 2019 balance consists of \$7,089,229 for insurance proceeds and the remainder is other contributions.

Blood Tribe First National Development Fund deferred revenue relates to First Nations Development Fund funds that have been received from a number of programs that have not yet been undertaken or for programs that have not been fully expensed as of March 31, 2019.

Housing Society, Lands, Recreation, Public Works, Kainai Education Society, Children Services and Kainawa Resources Inc. deferred revenue relates to Federal and Provincial funds that have been received for capital expenditures and programs that have not yet been undertaken or for capital expenditures and programs that have not been fully expensed as of March 31, 2019.

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

13. Long-term debt:

	2019	2018
Blood Tribe Administration	\$ --	\$ 8,171
Blood Tribe Family and Community Support Services	52,632	82,444
Blood Tribe Health	2,740,794	321,552
Blood Tribe Lands	23,007	32,528
Blood Indian Band Housing Society	19,671,248	20,934,286
Blood Tribe Public Works	786,059	618,573
Blood Tribe Revenue Fund	1,000,000	1,500,000
Kainaiwa Children's Services Corporation	2,850,547	2,933,404
Blood Tribe Recreation	--	1,875,000
Blood Tribe Economic Development	2,735,208	2,865,218
Blood Reserve School Bus Co-op	--	267,925
	29,859,495	31,439,101
Less: current portion	3,609,174	5,437,369
	\$ 26,250,321	\$ 26,001,732

Principal repayments on debt over the next five year are; assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2020 - \$3,609,174; 2021 - \$3,500,000; 2022 - \$3,400,000; 2023 - \$3,300,000; 2024 - \$3,200,000; and thereafter- \$12,850,321.

Mortgages, loans and finance contracts bear interest ranging from 0.00% to 4.99% (2018 - 0.00% to 5.69%).

Security pledged on all mortgages, loans and finance contracts consists of Government of Canada ministerial guarantees, guarantees by the Blood Tribe, assignment of fire insurance, a guarantee by the Ottawa Trust accounts and specific equipment.

Cash interest paid on long-term debt during the year amounted to \$2,024,045 (2018 - \$1,684,320).

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

14. Contingencies, commitments and guarantees:

The Tribe has been named as defendant under various claims for general matters. Management has assessed the success of these claims as unlikely and/or has ensured adequate insurance is in place. Accordingly, no provision has been made in these consolidated financial statements.

As at March 31, 2019, Blood Tribe Administration and Blood Tribe Revenue Fund have guaranteed the credit facility mortgages and term loans of several related departments and entities. These guarantees are collateralized by Band Council Resolutions, co-signed by the Tribe and the Departments and a mortgage over certain Department assets. Payment under this guarantee, which will remain in place until loan and mortgage amounts are fully repaid, is required if the related department and entities default on payment. As of March 31, 2019, no liability (2018 - no liability) has been recorded associated with this guarantee. The total guarantee is \$22,406,456 (2018 - \$25,674,504) and includes the following departments and entities: Blood Indian Band Housing Society, Recreation, and Economic Development.

The Tribe has guaranteed the term loan of Aohki 2018 up to a maximum amount of \$3,400,000 which is reduced as the term debt is paid down. This loan is also secured by a general security agreement. Payment under this guarantee is required if Aohki 2018 defaults on the loan. As at March 31, 2019 and 2018, no liability has been recorded associated with this guarantee. The outstanding balance as at March 31, 2019 is \$140,000 (2018 - \$380,000).

The Blood Tribe has guaranteed the term loan of 709204 Alberta Ltd. (o/a Blood Tribe Forage Processing Plant) up to a maximum amount of \$4,500,000 which is reduced as the term debt is paid down. This loan is also secured by related equipment with a net book value of \$2,877,014 (2018 - \$2,877,014) as well as a general security agreement with Chief and Council. Payment under this guarantee is required if 709204 Alberta Ltd. (o/a Blood Tribe Forage Processing Plant) defaults on the loan. As at March 31, 2019, no liability has been recorded associated with this guarantee. The outstanding balance as at March 31, 2019 is \$2,510,724 (2018 - \$2,510,724).

The Blood Band Housing Authority has an obligation to repay any Residential Rehabilitation Assistance Program funding received where a qualifying homeowner did not comply with the terms of the assistance program. The amount and likelihood of a potential obligation is not determinable at the consolidated financial statement date.

The Blood Band Housing Authority is contingently liable for contractor's obligations relating to performance and completion of construction contracts. Various claims and litigation arise in the normal course of the construction business. It is management's opinion that adequate provision has been made for any potential settlements relating to such matters and that they will not materially affect the financial position or future operation of the Blood Tribe.

The Blood Indian Band Housing Society is required by CMHC to meet certain requirements for replacement reserves and operating surplus reserves, which they are currently not in compliance with. The impact of these breaches is not determinable at this time and the liabilities resulting, if any, will be accounted for as an expense in the period the Blood Tribe becomes aware of them. The Department has agreed with CMHC on a 5 year repayment plan to repay the underfunded reserves.

The Blood Tribe Public Works operates a gravel pit to supply raw materials used in the ongoing maintenance of roads. The Department is responsible for the costs of reclaiming the gravel pits at the end of the production in accordance with provincial legislation. As at March 31, 2019, no amounts have been accrued for the reclamation costs as the liability cannot be reliably determined.

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

15. Construction in progress:

As at March 31, 2019, the Blood Band Housing Authority was in the process of construction of an 25 unit housing project scheduled to be completed in the summer of 2019. The department expects total construction costs of this project to be \$6,500,000. As at March 31, 2019, \$5,352,124 has been expended to complete the project. The project will be funded by CMHC loans. No funds have been advanced at March 31, 2019. The terms and conditions of this financing are not determinable at the financial statement date. Upon completion of construction the capital costs and associated debt will be transferred to Blood Indian Band Housing Society.

As at March 31, 2019, Kainaiwa Children's Services Corporation is in the process of constructing a new youth ranch facility. The project will be funded through insurance proceeds due to destruction of the old building, long-term financing and a portion may be funded through Internally generated Blood Tribe Funds. As at March 31, 2019, the total estimated cost to complete the project is \$2,372,498 and \$2,546,536 (2018 - \$2,470,919) has been expensed to date.

16. Accumulated surplus:

Accumulated surplus is comprised of the following:

	2019	2018
Equity in tangible capital assets	\$ 110,984,874	\$ 101,429,970
Equity in business enterprises	20,993,745	17,566,719
Equity in trust funds	71,120,883	72,179,199
Unrestricted accumulated surplus	17,745,124	8,071,167
Replacement Reserves	2,394,853	2,476,615
	<u>\$ 223,239,479</u>	<u>\$ 201,723,670</u>

Blood Indian Band Housing Society:

Under the terms of the agreements with Canada Mortgage and Housing Corporation ("CMHC") the replacement reserve account is to be credit in amounts negotiated at the time of the annual budget approval by CMHC. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts as may be approved by CMHC from time to time. Withdrawals are charged to interest first and then principal.

As at March 31, 2019, the replacement reserve is underfunded by \$961,342 (2018 - \$1,520,941) which is a breach of the CMHC covenant. The Department has agreed to repayment terms with CMHC to fund the underfunded portion over five years.

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Notes to Consolidated Financial Statements
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17. Defined contribution plan:

The Tribe has a defined contribution pension plan covering substantially all full-time employees. Each participant selects a contribution level of 2.5% - 5.5% of salary. The Tribe matches the participant's contribution. Pension expense in the amount of \$1,683,863 (2018 - \$1,642,793) is included with salaries and benefits. There have been no changes to the pension plan in the current year.

18. Government transfers:

During the year, the Tribe recognized the following government transfers:

	2019	2018
Indigenous and Northern Affairs Canada (note 19)	\$ 114,516,537	\$ 107,243,622
First Nations Development Fund	1,963,495	4,448,301
Canada Mortgage and Housing Corporation	1,545,752	2,620,741
Community Futures Treaty 7	2,719,469	2,896,903
Treaty 7 Management Corporation	1,039,144	1,106,944
Public Safety Canada - Police Services	3,167,060	2,939,820
Alberta Justice - Police Services	2,923,440	2,820,680
Other provincial and federal funding	11,219,510	7,331,107
	\$ 139,094,407	\$ 131,408,118

BLOOD TRIBE

Notes to Consolidated Financial Statements
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19. Indigenous Services Canada Funding:

	Block	Fixed	Flexible	Set	Total received
Akers Claim 1 and 2	\$ 20,929	\$ 76,000	\$ --	\$ --	\$ 96,929
Bus Co-op	5,538,311	250,000	--	--	5,788,311
Chief and Council	2,180,718	--	--	--	2,180,718
Department of Health Inc.	12,612,054	--	4,360,904	3,387,308	20,360,266
Economic Development	729,580	--	--	--	729,580
Employment and Skills Training	89,361	582,665	--	--	672,026
Family and Community Support Services	1,825,123	--	--	--	1,825,123
Finance	820,716	--	--	--	820,716
Housing	2,057,938	--	--	--	2,057,938
Human Resources	472,618	--	--	--	472,618
Kainai Education Society	20,338,054	5,911,899	--	--	26,249,953
Kainai Developments Ltd.	104,456	--	--	--	104,456
Kainaiwa Children Services Corporation	709,374	11,780,187	--	349,496	12,839,057
Lands	49,898	246,212	--	--	296,110
Management	722,993	--	--	--	722,993
Membership	272,575	8,658	--	--	281,233
Payroll	451,342	--	--	--	451,342
Public Relations	459,338	--	--	--	459,338
Public Services	1,889,285	491,890	--	146,471	2,527,646
Public Works	4,317,811	3,945,672	--	--	8,263,483
Real Estate	336,312	--	--	--	336,312
Recreation	1,532,402	--	--	--	1,532,402
Red Crow Community College	8,505,662	1,077,063	--	--	9,582,725
Social Development	13,403,073	--	1,024,809	2,261,832	16,689,714
Tribal Government	985,008	94,000	--	--	1,079,008
Centralized procurement	1,795,154	--	--	--	1,795,154
	\$ 82,220,085	\$ 24,464,246	\$ 5,385,713	\$ 6,145,107	\$ 118,215,151

BLOOD TRIBE

Notes to Consolidated Financial Statements
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19. Indigenous Services Canada Funding: (continued)

	Total received	Inter entity transfer	Transfers to deferred revenue	Transfers from deferred revenue	Total recognized as revenue
Akers Claim 1 and 2	\$ 96,929	\$ --	\$ --	\$ --	\$ 96,929
Bus Co-op	5,788,311	--	--	--	5,788,311
Chief and Council	2,180,718	--	--	--	2,180,718
Department of Health Inc.	20,360,266	(2,607,744)	400,000	--	17,352,522
Economic Development	729,580	--	--	--	729,580
Employment and Skills Training	672,026	--	102,850	--	569,176
Family and Community Support Services	1,825,123	--	--	--	1,825,123
Finance	820,716	--	--	--	820,716
Housing	2,057,938	--	--	--	2,057,938
Human Resources	472,618	--	--	--	472,618
Kainai Education Society	26,249,953	--	--	--	26,026,014
Kainai Developments Ltd.	104,456	--	931,526	707,587	104,456
Kainaiwa Children Services Corporation	12,839,057	--	373,485	--	12,465,572
Lands	296,110	--	--	--	296,110
Management	722,993	--	--	--	722,993
Membership	281,233	--	--	--	281,233
Payroll	451,342	--	--	--	451,342
Public Relations	459,338	--	--	--	459,338
Public Services	2,527,646	--	--	--	2,527,646
Public Works	8,263,483	--	--	--	8,263,483
Real Estate	336,312	--	--	--	336,312
Recreation	1,532,402	--	--	--	1,532,402
Red Crow Community College	9,582,725	--	--	--	9,582,725
Social Development	16,689,714	2,607,744	2,598,340	--	16,699,118
Tribal Government	1,079,008	--	--	--	1,079,008
Centralized procurement	1,795,154	--	--	--	1,795,154
	\$ 118,215,151	\$ --	\$ 4,406,201	\$ 707,587	\$ 114,516,537

BLOOD TRIBE

Notes to Consolidated Financial Statements
Year ended March 31, 2019

20. Economic dependence:

The Tribe receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of Treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the Blood Tribe to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

21. Budget information:

The disclosed budget information has been approved by the Chief and Council of the Blood Tribe on April 24, 2018.

22. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

23. Contractual rights

Contractual rights are rights of the Blood Tribe to economic resource arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

24. Contractual Obligations

The Blood Tribe has contractual obligations which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met.

Service contracts include contractual obligations the Blood Tribe has entered into for services. Capital projects include contractual obligations for the construction or purchase of capital items.