

**Black Lake Denesuline Nation  
Consolidated Financial Statements  
March 31, 2016**

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**Black Lake Denesuline Nation**  
**Management's Responsibility for Financial Reporting**  
*March 31, 2016*

The accompanying consolidated financial statements are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and necessarily include estimates which are based on management's best judgements.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

Chalupiak & Associates, an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

  
\_\_\_\_\_  
Black Lake Denesuline Nation

August 31, 2016  
Date

**Chalupiak & Associates**  
**Chartered Professional Accountants**  
**3261 Saskatchewan Drive, Regina, SK S4T 6S4**  
**Phone (306) 359-3711 Fax (306) 569-3030**

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**Independent Auditors' Report**

**To the Members of  
Black Lake Denesuline Nation**

We have audited the accompanying consolidated financial statements of Black Lake Denesuline Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, accumulated surplus, change in net financial assets, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

***Management's Responsibility for the Consolidated Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Black Lake Denesuline Nation as at March 31, 2016, and the results of its operations, accumulated surplus, the changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan  
August 31, 2016



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Chartered Professional Accountants

**Black Lake Denesuline Nation**  
**Consolidated Statement of Financial Position**  
**March 31, 2016**

	2016	2015
		<u>Restated</u>
<b>Financial Assets</b>		
Restricted cash - capital projects (Note 3)	\$ 173,499	\$ 253,327
Restricted cash - CMHC (Note 3)	657,722	571,157
Trust funds held by federal government (Notes 3 and 4)	149,515	134,223
Accounts receivable (Notes 5 and 6)	927,588	1,148,928
Investments in related business entities (Notes 7 and 8)	26,194,321	26,410,243
Portfolio investments (Note 9)	4,250	4,250
	<hr/> <u>28,106,895</u>	<hr/> <u>28,522,128</u>
<b>Liabilities</b>		
Bank indebtedness (Note 3 and 10)	517,078	875,659
Accounts payable (Note 11)	3,075,882	3,727,679
Deferred revenue - unexpended funds (Note 12)	15,464	-
Deferred revenue (Note 13)	270,856	552,198
Current portion of long-term debt (Note 14)	921,353	894,484
Current portion of mortgages (Note 15)	190,107	183,201
Long-term debt (Note 14)	3,653,564	4,584,475
CMHC mortgages (Note 15)	<u>2,960,628</u>	<u>3,152,972</u>
	<hr/> <u>11,604,932</u>	<hr/> <u>13,970,668</u>
<b>Net financial assets</b>	<b><u>16,501,963</u></b>	<b><u>14,551,460</u></b>
<b>Non-financial Assets</b>		
Capital assets (Note 16)	25,184,601	26,504,177
Prepaid expenses (Note 17)	<u>19,422</u>	<u>41,232</u>
	<hr/> <u>25,204,023</u>	<hr/> <u>26,545,409</u>
<b>Accumulated Surplus (Note 18)</b>	<b><u>\$ 41,705,986</u></b>	<b><u>\$ 41,096,869</u></b>

Approved on behalf of the Black Lake Denesuline Nation:

Olney, Chief

Walt B., Councillor

The accompanying notes are an integral part of the financial statements

**Black Lake Denesuline Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2016*

	2016 Budget	2016 Actual	2015 Restated
<b>Revenue</b>			
INAC - grant	\$ 753,421	\$ 753,421	\$ 753,421
INAC - fixed	5,121,333	5,281,613	4,923,200
INAC - set	3,799,335	3,672,904	3,670,962
INAC - flexible	683,518	808,518	2,083,518
INAC - prior period revenue (recovery)	-	(53,583)	(110,829)
INAC - current year receivable (payable)	-	(70,832)	(18,209)
Athabasca Health Authority	1,042,413	1,067,508	1,025,719
Health Canada	35,000	35,000	35,000
CMHC	-	254,370	254,370
First Nations Trust	734,974	724,856	734,974
Prince Albert Grand Council	941,726	1,101,276	967,419
Funds earned & held in trust by federal government	-	15,291	3,566
Northern Lights Community Development Corporation	60,000	184,397	57,625
Black Lake Ventures LP	750,000	1,661,641	650,684
Equity pickup (losses) - related business entities (Note 7)	-	(215,922)	3,583,406
Northern Lights School Division	42,000	-	42,111
North West Company - rebates	40,000	42,132	38,807
West Wind Aviation	40,000	41,590	-
Waterfound LP	300,000	582,406	-
Rental revenue - CMHC houses	-	88,479	90,071
Rental revenue	40,000	44,750	39,790
Other revenue	522,017	477,508	571,631
Administration fees - internal allocation (Note 2.m)	150,000	287,414	158,639
Unexpended funds transferred - prior year	-	-	641,887
Deferred revenue - prior period	-	552,198	431,146
Deferred revenue - current period	-	(270,856)	(552,198)
	<hr/> 15,055,737	<hr/> 17,066,079	<hr/> 20,076,710
<b>Expenses</b>			
Community Infrastructure (Schedule 1)	1,362,282	1,008,254	1,304,568
Economic Development (Schedule 2)	-	103,834	-
Education (Schedule 3)	5,237,159	5,330,949	5,697,253
Indian Government Support (Schedule 4)	1,403,015	1,439,342	1,538,836
Land Management (Schedule 5)	357,000	357,244	146,434
Social Services (Schedule 6)	3,159,323	3,097,671	3,195,657
Indian Registration (Schedule 7)	20,025	15,194	19,413
Governance and Institutions of Governance (Schedule 8)	-	123,536	-
Health (Schedule 9)	1,537,142	1,371,068	1,316,619
CMHC Housing (Schedule 10)	-	191,227	171,798
Other Band Programs (Schedule 11)	1,755,125	1,689,448	1,924,660
Amortization (Schedule 12)	-	1,713,737	1,707,463
	<hr/> 14,831,071	<hr/> 16,441,504	<hr/> 17,022,701
<b>Current surplus before unexpended transfers</b>	<b>224,666</b>	<b>624,575</b>	<b>3,054,009</b>

The accompanying notes are an integral part of the financial statements

**Black Lake Denesuline Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2016*

	2016 Budget	2016 Actual	2015 Restated
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(15,464)	-
<b>Current surplus</b>	<b>\$ 224,666</b>	<b>\$ 609,111</b>	<b>\$ 3,054,009</b>

The accompanying notes are an integral part of the financial statements

**Black Lake Denesuline Nation**  
**Consolidated Statement of Accumulated Surplus**  
*For the year ended March 31, 2016*

	2016	2015
		<u>Restated</u>
<b>Surplus at beginning of year</b>	\$ 41,096,873	\$ 38,042,864
<b>Current surplus</b>	609,111	3,054,009
<b>Surplus at end of year</b>	<b>\$ 41,705,984</b>	<b>\$ 41,096,873</b>

The accompanying notes are an integral part of the financial statements

**Black Lake Denesuline Nation**  
**Consolidated Statement of Change In Net Financial Assets**  
*For the year ended March 31, 2016*

	2016 Budget	2016 Actual	2015 Restated
<b>Current surplus</b>	\$ 224,666	\$ 609,111	\$ 3,054,009
Acquisition of tangible capital assets	-	(394,155)	(1,056,934)
<b>Amortization of tangible capital assets</b>	<b>-</b>	<b>1,713,737</b>	<b>1,707,463</b>
	-	1,319,582	650,529
Acquisition of prepaid asset	(19,422)	(19,422)	(41,232)
<b>Use of prepaid asset</b>	<b>41,232</b>	<b>41,232</b>	<b>108,983</b>
	21,810	21,810	67,751
<b>Increase in net financial assets</b>	<b>246,478</b>	<b>1,950,503</b>	<b>3,772,289</b>
<b>Net financial assets at beginning of year</b>	<b>14,551,460</b>	<b>14,551,460</b>	<b>10,779,171</b>
<b>Net financial assets at end of year</b>	<b>\$ 14,797,936</b>	<b>\$ 16,501,963</b>	<b>\$ 14,551,460</b>

The accompanying notes are an integral part of the financial statements

**Black Lake Denesuline Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2016*

	2016	2015
		<u>Restated</u>
<b>Cash flows from Operating activities</b>		
Current surplus	\$ 609,111	\$ 3,054,009
Loss (earnings) from investment in business partnerships	(1,759,729)	(4,168,016)
Loss (earnings) from investment in incorporated businesses	5,033	1,580
Amortization	<u>1,713,737</u>	<u>1,707,463</u>
	568,152	595,036
<b>Change in non-cash operating working capital</b>		
Accounts receivable	221,340	(494,801)
Prepaid expenses	21,810	67,751
Accounts payable	(651,792)	420,886
Deferred revenue - unexpended funds	15,464	(80,152)
Deferred revenue	(281,342)	121,052
Restricted cash - CMHC	(86,565)	(118,857)
Trust funds held by federal government	<u>(15,292)</u>	<u>(3,565)</u>
	(208,225)	507,350
<b>Capital activities</b>		
Purchases of tangible capital assets	<u>(394,159)</u>	<u>(1,056,930)</u>
<b>Financing activities</b>		
Advances of long-term debt		678,758
Repayment of long-term debt	(904,042)	(668,135)
Principle repayment of mortgages - CMHC	(185,439)	(181,898)
	(1,089,481)	(171,275)
<b>Investing activities</b>		
Contributions to business partnerships	(273,429)	(67,654)
Withdrawals from business partnerships	2,244,047	650,684
	1,970,618	583,030
<b>Increase (decrease) in cash and cash equivalents</b>	278,753	(137,825)
<b>Cash and cash equivalents, beginning of year</b>	<u>(622,332)</u>	<u>(484,507)</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ (343,579)</u>	<u>\$ (622,332)</u>
<b>Represented by</b>		
Cash	\$ (517,078)	\$ (875,659)
Restricted cash - capital projects	<u>173,499</u>	<u>253,327</u>
	\$ (343,579)	\$ (622,332)

**The accompanying notes are an integral part of the financial statements**

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2016*

**1. Operations**

The Black Lake Denesuline Nation ("the First Nation") is located in the province of Saskatchewan and provides various services to its members. Black Lake Denesuline Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

**2. Basis of presentation and significant accounting policies**

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

**(a) Reporting entity**

The Black Lake Denesuline Nation reporting entity includes the Black Lake Denesuline Nation government and all related entities that are controlled by the First Nation.

**(b) Principles of consolidation**

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Black Lake Denesuline Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Black Lake Denesuline Nation.

Organizations accounted for on a modified equity basis include:

Black Lake Ventures LP  
Black Lake Development Corporation  
Elizabeth Falls Hydro LP  
Elizabeth Falls Hydro Corporation  
Waterfound Development LP

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
**March 31, 2016**

**2. Basis of presentation and significant accounting policies (continued)**

**(c) Other economic interests**

The First Nation does not share in the control or the profit or loss of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of the Black Lake Denesuline Nation.

The First Nation is a member of the Prince Albert Grand Council (PADC Management Co. Ltd. or "PAGC"). The PAGC is an organization of twelve Nations. The PAGC is mandated to enhance the services provided to the member Nations.

The First Nation is a member of the Athabasca Child and Family Services Inc. ("ACFS"). ACFS is an organization of three Nations. The mandate of ACFS is to provide child and family protection and prevention services on reserve to the three member Nations.

The First Nation is a member of the Athabasca Health Authority ("AHA"). AHA is an organization of three Nations and three municipalities. AHA is mandated to provide comprehensive health services.

The First Nation is a member of the Athabasca Enterprise Region Corporation ("AERC"; previously Athabasca Economic Development and Training Corporation). The AERC is an organization of three Nations and four municipalities. The AERC is mandated to maximize economic capacity and achieve business competitiveness for the region.

**(d) Asset classification**

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

**(e) Net debt or net financial assets**

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by its financial assets less liabilities. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
**March 31, 2016**

**2. Basis of presentation and significant accounting policies (continued)**

**(g) Liability for contaminated site**

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation 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, 2016.

At each financial reporting date, the First Nation 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 First Nation continues to recognize the liability until it's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**(h) Tangible capital assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Black Lake Denesuline Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives. No amortization is recorded in the year of acquisition.

Buildings	25 years Straight line
Equipment	5 years Straight line
Infrastructure	40 years Straight line
Housing	25 years Straight line

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

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

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
**March 31, 2016**

**2. Basis of presentation and significant accounting policies (continued)**

**(i) Portfolio investments**

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

**(j) Trust funds**

Funds earned and held in trust on behalf of First Nation members by the Government of Canada. Trust moneys consist of:

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

Revenues from Trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

**(k) Use of estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**(l) Segments**

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

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

**(m) Internal charges and transfers**

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees - internal allocation."

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
**March 31, 2016**

**2. Basis of presentation and significant accounting policies (continued)**

**(n) Revenue recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

**(o) Expense recognition**

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

**(p) Comparative figures**

Comparative figures have been reclassified, where applicable, to conform to current presentation.

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
**March 31, 2016**

**3. Cash and cash equivalents**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Black Lake Denesuline Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Subsidy Fund. Cash and cash equivalents is comprised of the following:

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Funds held in trust are held by the federal government in trust for the First Nation.

	2016	2015
<b>Unrestricted cash</b>		
CMHC operations	\$ 32,321	\$ 7,632
General operations	(322,269)	(671,784)
Social development	(227,130)	(211,507)
	<hr/> (517,078)	<hr/> (875,659)
<b>Restricted cash - capital projects</b>		
Capital projects - project manager	145,856	226,207
Band Based Capital	27,643	27,120
	<hr/> 173,499	<hr/> 253,327
<b>Restricted cash - CMHC</b>		
CMHC Operating Reserve	197,437	114,196
GIC - First Nations Bank - 0.95% - matures May 31, 2015	205,651	204,222
GIC - First Nations Bank - 0.82% - matures February 9, 2015	254,634	252,739
	<hr/> 657,722	<hr/> 571,157
<b>Restricted cash - funds held in trust by the federal government</b>		
Capital funds	2,194	2,194
Revenue funds	147,321	132,029
	<hr/> 149,515	<hr/> 134,223
	<hr/> <b>\$ 463,658</b>	<hr/> <b>\$ 83,048</b>

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2016*

**4. Trust funds held by federal government**

	2016 Revenue	2016 Capital	2016 Total	2015 Total
<b>Surplus, beginning of year</b>	<b>\$ 132,030</b>	<b>\$ 2,193</b>	<b>\$ 134,223</b>	<b>\$ 130,657</b>
Lease revenue	11,896	-	11,896	-
Interest earnings	2,985	-	2,985	3,155
Other	411	-	411	411
<b>Surplus, end of year</b>	<b>\$ 147,322</b>	<b>\$ 2,193</b>	<b>\$ 149,515</b>	<b>\$ 134,223</b>

**6. Accounts receivable**

	2016	2015 Restated
<b>Due from members</b>		
Advances	\$ 175,283	\$ 166,292
Social development clients	54,293	9,466
	<hr/> 229,576	<hr/> 175,758
<b>Due from others</b>		
Athabasca Health Authority	224,869	158,339
Prince Albert Grand Council	186,300	109,443
Other	212,845	70,412
	<hr/> 624,014	<hr/> 338,194
<b>Due from government and other government organizations</b>		
INAC	257,622	707,564
CMHC subsidy	21,197	21,197
Health Canada	2,913	35,000
	<hr/> 281,732	<hr/> 763,761
Allowance for doubtful accounts	1,135,322 (207,734)	1,277,713 (128,785)
<b>Total accounts receivable</b>	<b>\$ 927,588</b>	<b>\$ 1,148,928</b>

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
**March 31, 2016**

**6. Accounts receivable - INAC**

	2016	2015
		Restated
Tuition	\$ 83,513	\$ 136,829
Band Employee Benefits - Statutory	-	33,779
Band Employee Benefits - Non Statutory	-	2,552
Band Support	-	62,786
Indian Registry	-	1,250
Special Needs	362	24,503
Band Based Capital	39,247	47,865
Portable Classrooms	-	300,000
Environmental	-	98,000
Consultation & policy development	9,500	-
Water Treatment	125,000	-
<b>Total</b>	<b>\$ 257,622</b>	<b>\$ 707,564</b>

**7. Investment in government business enterprises**

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	2016	2015
Black Lake Ventures LP - 99.99%	\$ 24,554,224	\$ 24,270,804
Black Lake Ventures Ltd. - 100%	(908)	425
Elizabeth Falls Hydro LP - 99.99%	25,018	38,593
Elizabeth Falls Hydro Corporation - 100%	(52)	(51)
Waterfound Development Corporation - 33.33%	1,755	1,954
Waterfound Development LP - 33.33%	1,366,886	1,847,620
Black Lake Development Corporation - 100%	247,398	250,898
<b>Total</b>	<b>\$ 26,194,321</b>	<b>\$ 26,410,243</b>

**Black Lake Denesuline Nation**  
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**7. Investment in government business enterprises, continued**

	Black Lake Ventures LP & Corporation March 31, 2016	Elizabeth Falls Hydro LP & Corporation March 31, 2016	Waterfound Development LP & Corporation Dec 31, 2015	Black Lake Development Corporation
<b>Cash</b>	\$ 89,352	\$ 8,864	\$ 569,609	\$ -
Accounts receivable	22,464	76,838	150	-
Prepaid expenses	4,522	2,404	-	-
Tangible capital assets	2,070,566	-	-	-
Due to (from) related parties	-	-	22,530	249,398
<b>Investments</b>	<b>24,616,491</b>	<b>(52)</b>	<b>4,216,593</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 26,803,395</b>	<b>\$ 88,054</b>	<b>\$ 4,808,882</b>	<b>\$ 249,398</b>
Accounts payable	\$ 116,439	\$ 13,138	\$ 5,609	\$ 2,000
Deferred revenue	-	50,000	-	-
Long-term debt	1,882,151	-	-	-
Due to (from) related parties	249,397	-	-	-
<b>Total liabilities</b>	<b>2,247,987</b>	<b>63,138</b>	<b>5,609</b>	<b>2,000</b>
<b>Equity</b>	<b>24,555,408</b>	<b>24,916</b>	<b>4,803,273</b>	<b>247,398</b>
<b>Total equity</b>	<b>24,555,408</b>	<b>24,916</b>	<b>4,803,273</b>	<b>247,398</b>
<b>Total liabilities and equity</b>	<b>\$ 26,803,395</b>	<b>\$ 88,054</b>	<b>\$ 4,808,882</b>	<b>\$ 249,398</b>
	Black Lake Ventures LP & Corporation March 31, 2016	Elizabeth Falls Hydro LP & Corporation March 31, 2016	Waterfound Development LP & Corporation Dec 31, 2015	Black Lake Development Corporation
<b>Revenue</b>	<b>\$ 1,955,901</b>	<b>\$ 834,602</b>	<b>\$ 358,689</b>	<b>\$ -</b>
<b>Expenses</b>	<b>289,496</b>	<b>848,179</b>	<b>53,966</b>	<b>2,000</b>
<b>Total expenses</b>	<b>289,496</b>	<b>848,179</b>	<b>53,966</b>	<b>2,000</b>
<b>Net income</b>	<b>\$ 1,666,405</b>	<b>\$ (13,577)</b>	<b>\$ 304,723</b>	<b>\$ (2,000)</b>

The above information is derived from the latest available financial statements for each entity. The value of the First Nation's investments is reported at the value of its share of equity reported on the latest available financial statements with the exception of Waterfound Development LP. An adjustment has been made to Waterfound Development LP for events that occurred after year end resulting in a decrease in the First Nation's share of equity by \$232,407.

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**8. Investments in related business entities**

	Investment, start of year	Contributions/ Purchases	Withdrawals	Undistributed earnings (loss)	Investment, end of year
<b>Black Lake Development Corporation</b>	<b>250,898</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (3,925)</b>	<b>\$ 246,973</b>
Black Lake Ventures Ltd	425	-	-	(908)	(483)
Black Lake Ventures LP	24,270,804	273,429	(1,661,641)	1,671,632	24,654,224
Elizabeth Falls Hydro Corporation	(51)	-	-	(1)	(52)
Elizabeth Falls Hydro LP	38,693	-	-	(13,575)	25,018
Waterfound Development LP	1,847,620	-	(682,406)	101,672	1,366,886
Waterfound Development Corporation	1,954	-	-	(199)	1,755
	<b>26,410,243</b>	<b>\$ 273,429</b>	<b>\$ (2,244,047)</b>	<b>\$ 1,754,696</b>	<b>\$ 26,194,321</b>

**9. Portfolio investments**

	2016	2015
<b>CanAlaska Uranium Ltd</b>	<b>\$ 4,250</b>	<b>\$ 4,250</b>

**10. Bank indebtedness**

The First Nation has an operating line of credit with First Nations Bank authorized to \$250,000 (2015 - \$550,000) for all accounts of the First Nation and bears interest at prime plus 1.5%. On March 31, 2016 the First Nation had issued cheques in excess of deposits totalling \$617,078 (2015 - \$875,659).

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**11. Accounts payable**

	2016	2015
		Restated
<b>Due to members</b>		
Accrued wages	\$ 99,206	\$ 66,417
<b>Due to others</b>		
SunLife - pension	61,943	74,953
Prince Albert Grand Council	688,381	815,901
Woodland - new housing units	783,830	783,830
Great West Life - group insurance	-	16,877
Trade payables	1,342,846	1,842,614
	<u>2,877,000</u>	<u>3,534,175</u>
<b>Due to government and other government organizations</b>		
CRA payable (overpayment)	(12,746)	29,309
INAC	112,422	97,778
	<u>99,676</u>	<u>127,087</u>
	<u><u>\$ 3,075,882</u></u>	<u><u>\$ 3,727,679</u></u>

**12. Deferred revenue - unexpended funds**

INAC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to INAC, deferred to the following year, or transferred to another INAC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

	2016	2015
Consultation and policy development	\$ 15,464	\$ -

**13. Deferred revenue**

	March 31, 2015	Funding received, 2016	Revenue recognized, 2016	March 31, 2016
<b>Federal government</b>				
Portable classrooms	\$ 443,070	\$ 13,400	\$ (420,150)	\$ 36,320
Sub-division	109,128	408	-	109,536
Water Treatment	-	125,000	-	125,000
	<u>\$ 552,198</u>	<u>\$ 138,808</u>	<u>\$ (420,150)</u>	<u>\$ 270,856</u>

**Black Lake Denesuline Nation**  
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**14. Long-term debt**

	2016	2015
TD Canada Trust - debt consolidation. Term loan, quarterly blended payments of \$135,053, interest at 5.8%. Secured by a general security agreement, due July 2019.	\$ 1,724,159	\$ 2,155,686
First Nations Bank of Canada - housing project - 10 units. Interim construction loan, approved to a maximum of \$1,275,000. Annual principal payments of \$200,000 and monthly interest payments at 5.20%, secured by BCR, mortgage conversion date March 2016.	477,788	678,758
First Nations Bank of Canada - teacherages. Term loan, monthly blended payments of \$4,402, interest at 6.05%, secured by related capital asset, due September 2030.	511,580	532,134
First Nations Bank of Canada - youth center. Quarterly principal payments of \$16,563, monthly interest payments at 4.70%, secured by related capital asset, due October 2032.	1,113,974	1,180,781
First Nations Bank of Canada - capital debt consolidation and funding of CMHC reserves. Term loan, annual principal payment of \$150,000, monthly principal payments of \$2,778 and monthly interest payments at 4.70%, secured by related capital assets and BCR, due April 2019.	<u>747,416</u>	<u>931,600</u>
<u>Current portion</u>	<u>4,574,917</u>	<u>5,478,959</u>
	<u>921,353</u>	<u>894,484</u>
	<u><u>\$ 3,653,564</u></u>	<u><u>\$ 4,584,475</u></u>

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

2017	\$ 921,353
2018	949,509
2019	857,030
2020	569,085
<u>2021 and thereafter</u>	<u>1,277,940</u>
	<u><u>\$ 4,574,917</u></u>

	2016	2015
<u>Interest expense for the year on long-term debt</u>	<u>\$ 256,028</u>	<u>\$ 290,194</u>

**Black Lake Denesuline Nation**  
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**15. CMHC mortgages**

	Phase number	Maturity date	Interest rate	Monthly payment	2016	2015
CMHC	1	4/1/2021	1.11%	\$ 1,919	\$ 216,545	\$ 235,390
CMHC	2	6/1/2016	2.63%	4,336	465,077	504,468
CMHC	3	6/1/2018	1.67%	8,992	1,619,338	1,699,659
CMHC	4	10/1/2016	1.80%	5,210	849,775	896,656
					3,150,735	3,336,173
<u>Current portion</u>					190,107	183,201
<u>Total</u>					\$ 2,960,628	\$ 3,152,972

**16. Tangible capital assets**

	Cost	Additions	Accumulated amortization	2016 Net book value
Buildings	\$ 18,009,363	\$ 1,451,089	\$ 14,765,478	\$ 4,694,974
Equipment	1,567,342	-	1,017,576	549,766
Infrastructure	15,614,637	-	2,456,264	13,158,373
Housing	17,330,597	-	11,965,159	5,365,438
<u>Assets under construction</u>	2,472,980	(1,056,930)	-	1,416,050
	\$ 54,994,919	\$ 394,159	\$ 30,204,477	\$ 25,184,601

	Cost	Additions	Accumulated amortization	2015 Net book value
Buildings	\$ 18,009,363	\$ -	\$ 14,011,151	\$ 3,998,212
Equipment	1,567,342	-	1,031,166	536,176
Infrastructure	15,614,637	-	2,063,465	13,551,172
Housing	17,330,597	-	11,384,960	5,945,637
<u>Assets under construction</u>	1,416,050	1,056,930	-	2,472,980
	\$ 53,937,989	\$ 1,056,930	\$ 28,490,742	\$ 26,504,177

**17. Prepaid expenses**

	2016	2015
Insurance - CMHC	\$ 19,422	\$ 15,241
<u>WTP assessment</u>	-	25,991
	\$ 19,422	\$ 41,232

**Black Lake Denesuline Nation**  
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**18. Accumulated surplus**

	2016	2015 Restated
<b>Restricted</b>		
Capital assets	\$ 19,183,110	\$ 19,844,911
Investments in related business entities	26,194,321	26,410,243
Trust funds held by federal government	149,515	134,223
CMHC reserves	<u>699,538</u>	<u>603,739</u>
	46,226,484	46,993,116
<b>Unrestricted</b>		
<u>Operating surplus (deficit)</u>	<u>(4,520,498)</u>	<u>(5,896,247)</u>
	<u>\$ 41,705,986</u>	<u>\$ 41,096,869</u>

**Capital assets** represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services.

**Investments in related entities** represents amounts not readily available for operations as the investments are not likely to be liquidated within the next year.

**CMHC reserves** are replacement and operating reserves required to be funded for future housing replacements, as per agreements with CMHC.

**Trust funds held by federal government** are monies held by the federal government for use by the First Nation for specific purposes.

**Operating surplus (deficit)** represents future revenue required for past operational activities.

**19. Prior period adjustment**

The comparative figures have been retroactively restated to correct for amounts in the social development program that were recorded as receivable but should have been recorded as payable.

	As previously stated 2015	Adjustment 2015	Restated 2015
<b>Revenue</b>	\$ 20,160,994	\$ (84,284)	\$ 20,076,710
Accounts receivable	1,190,847	(41,919)	1,148,928
Accounts payable	3,685,314	42,365	3,727,679
<b>Accumulated surplus</b>	<u>\$ 41,181,153</u>	<u>\$ (84,284)</u>	<u>\$ 41,096,869</u>

**Black Lake Denesuline Nation**  
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**20. Summary of revenue, expenses, surplus (deficit) by program**

	Revenue	Expenditures	Transfers	Surplus (deficit)
Community Infrastructure	\$ 1,634,411	\$ 1,008,254	\$ (844,004)	\$ (217,847)
Economic Development	154,489	103,834	-	50,655
Education	5,315,091	5,330,949	(616,224)	(632,082)
Indian Government Support	1,006,856	1,439,342	525,000	92,514
Land Management	357,000	357,244	-	(244)
Social Services	2,932,129	3,097,671	-	(165,542)
Indian Registration	15,194	15,194	-	-
Governance and Institutions of Governance	123,536	123,536	-	-
Health	1,327,371	1,371,068	-	(43,697)
CMHC Housing	346,174	191,227	(253,509)	(98,562)
Other Band Programs	3,838,364	1,689,448	(525,000)	1,623,916
Amortization	-	1,713,737	1,713,737	-
	<hr/> <u>\$ 17,050,615</u>	<hr/> <u>\$ 16,441,504</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 609,111</u>

**21. INAC reconciliation**

	2016	2015 Restated
INAC revenue per agreement	\$ 10,623,319	\$ 11,582,605
Prior period revenue (recovery)		
Tuition	(11,993)	-
NCBR	-	(110,829)
Basic needs	-	(117,165)
Band employee benefits	-	(34,339)
Current year receivable (payable)		
Band employee benefits	-	24,156
Institutional care	(510)	-
Tuition	(42,065)	-
Basic needs	(70,832)	(41,919)
Special needs	<u>(105,878)</u>	<u>(446)</u>
	<hr/> <u>\$ 10,392,041</u>	<hr/> <u>\$ 11,302,063</u>

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**22. Government Transfers**

	2016		
	Operating	Capital	Total
<b>Federal government transfers</b>			
Indigenous and Northern Affairs Canada	\$ 9,583,523	\$ 808,518	\$ 10,392,041
Health Canada	35,000	-	35,000
Canada Mortgage and Housing Corporation	254,370	-	254,370
<b>Total</b>	<b>9,872,893</b>	<b>808,518</b>	<b>10,681,411</b>
<b>Provincial government transfers</b>			
<b>Total</b>	<b>\$ 9,872,893</b>	<b>\$ 808,518</b>	<b>\$ 10,681,411</b>
	2015		
	Operating	Capital	Total
<b>Federal government transfers</b>			
Indigenous and Northern Affairs Canada	\$ 9,218,545	\$ 2,083,518	\$ 11,302,063
Health Canada	35,000	-	35,000
Canada Mortgage and Housing Corporation	254,370	-	254,370
<b>Total</b>	<b>9,507,915</b>	<b>2,083,518</b>	<b>11,591,433</b>
<b>Provincial government transfers</b>			
<b>Total</b>	<b>\$ 9,507,915</b>	<b>\$ 2,083,518</b>	<b>\$ 11,591,433</b>

**23. CMHC reserves and restricted cash**

The CMHC funding agreements require that the First Nation set aside cash in specially funded reserve bank accounts. On March 31, 2016 the reserve fund was underfunded by \$41,815 (2015 - \$32,582).

**24. Related party transactions**

Transactions with related parties, if any, are in the normal course of business, and are for fair consideration that is mutually agreed upon by the related parties.

**25. Fair value**

The fair value of the financial assets (except the investments), and current liabilities approximates their carrying value due to their short term nature. It is not practical to determine fair value for the investments with sufficient reliability because of the limited market for them. The fair value of the First Nation's long-term debt approximates cost due to either the short-term nature (either to term or to renewal) or has interest floating at market rates.

**Black Lake Denesuline Nation**  
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**26. Interest rate risk**

The First Nation is not exposed to significant interest rate risk on its monetary assets and current liabilities, due to their short term maturity. The First Nation is exposed to interest rate price risk on its long term debt that has a fixed interest rate.

**27. Contingent liabilities**

Black Lake Denesuline Nation has the following contingent liabilities:

- a) Black Lake Denesuline Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.
- b) In addition, in the normal course of its operations, Black Lake Denesuline Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Black Lake Denesuline Nation's financial statements.
- c) The First Nation is party to a government partnership operating as a non-profit corporation (Denesuline Ne Ne Land Corp.) with two other First Nations. The three First Nations as a group have signed loan agreements with the Government of Canada to finance a land claim process. The total of the loans outstanding as of March 31, 2016 is \$17,019,741 (2015 - \$15,948,493). A potential settlement agreement has been offered which would indicate a significant portion of the loan balance would be forgiven, with the remaining balance applied against the settlement amount. Due to the uncertainty whether the loans will actually be repayable and that the three First Nations have not agreed to an allocation of the responsibility for the loan nor the potential settlement payout, no amount related to the loans has been reported in these financial statements. It is possible the Nation could be responsible for a portion of the loans. The government partnership has not been reported in these financial statements on a proportionate basis as a result of the First Nations not agreeing to an allocation of the responsibilities for the loan nor the potential settlement payout, and as a result the 'ownership' of the government partnership. Summary financial information from the government partnership's audited financial statements is as follows:

<u>Year</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Net Assets</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Surplus/(Deficit)</u>
March 2016	664,629	224,591	340,038	1,695,623	1,700,407	(4,884)
March 2015	659,631	214,709	344,922	1,118,001	1,318,178	(200,177)

Note: The loan proceeds are reported as revenue by the government partnership as a government transfer from the First Nations. If the Nation was to proportionately report the operations of the government partnership, the revenue would be reported as a liability of the Nation as part of the loan repayable.

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**28. Employee benefit obligations**

**Vacation and overtime**

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year. There is no liability for vacation or overtime reported in these financial statements.

**Post-employment benefits**

Black Lake Denesuline Nation does not provide extended health, dental and life insurance benefits to retired employees and therefore has no obligations with regards to post employment benefits.

**Pension plan**

Black Lake Denesuline Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 7.6% of their basic salary; Black Lake Denesuline Nation contributes a matching portion which is directed to the member's contribution account. Black Lake Denesuline Nation does not have any other obligations with regards to the pension plan as at March 31, 2016.

**29. Economic dependence**

The First Nation receives a substantial amount of its funding from Indigenous and Northern Affairs Canada ("INAC") as a result of treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

**30. Subsequent events**

There are no significant subsequent events to report.

**31. Budgeted figures**

Budgeted figures are unaudited and have been provided for comparison purposes and derived from the estimates approved by the Black Lake Denesuline Nation.

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**32. Expenses by object**

	2016 Budget	2016 Actual	2015 Actual
Administration	\$ 35,810	\$ 287,413	\$ 158,639
Administration - program costs	50,000	54,894	9,246
Amortization	-	1,713,737	1,707,463
Assistance - social development	2,521,510	2,435,908	2,623,784
Assistance to band members	395,000	258,684	357,629
Bad debts	-	78,950	-
Bank charges and Interest	79,100	110,754	91,668
Consultants and contractors	495,788	917,294	1,769,766
Cultural programs	277,750	257,438	235,816
Denesuline Development Corporation expenses	-	232,407	-
Economic development	-	632	-
Elders support	601	12,164	601
Election expenses	7,500	7,150	25,260
Equipment rental	-	-	346
Fire Smart (brush thinning) project	-	93,266	-
First Nation Trust expenses	95,599	308,661	150,702
Freight	19,543	26,933	38,584
Fridge recycling project	262,000	261,244	146,434
Fuel	58,468	52,916	93,813
Governance activities	1,500	327	-
Honorariums	58,380	15,500	47,563
Insurance	137,201	192,096	182,009
Long term debt - principle & interest payments	1,069,485	1,160,069	958,328
Long term debt - principle repayment	-	(904,041)	(668,134)
Mortgage - payments principle & interest	-	247,231	247,230
Mortgage - principle repayment	-	(185,439)	(181,898)
NCBR program expenses	318,069	311,745	317,311
Other expenses	24,155	28,371	1,700
PAGC paid expenses directly	-	176,444	182,904
Post Secondary - administration	78,198	70,672	77,757
Post Secondary - entrance preparation	115,000	117,593	85,787
Post Secondary - student expenses	594,500	599,948	474,648
Prior period unrecorded unexpended funds	-	-	561,735
Professional fees	164,125	124,255	176,727
Program expenses	189,297	190,628	183,970
Rent - office	12,000	12,000	12,000
Repairs and maintenance	417,895	404,234	574,680
Senior and youth programs	-	46,970	83,678
Student expenses	67,516	38,927	61,267
Student allowance	13,300	13,510	-
Student tuition	143,080	137,014	253,275
Supplies	585,784	642,241	550,587
Telephone	67,350	79,288	65,094
Training	16,841	22,409	39,235
Travel, meetings, per diems	661,361	587,024	653,665

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**32. Expenses by object, continued**

	2016 Budget	2016 Actual	2015 Actual
<b>Utilities</b>	536,347	432,419	412,926
<b>Wages and benefits</b>	5,261,018	5,163,783	5,315,836
<b>Transfer to capital assets</b>	-	(394,159)	(1,056,930)
	<b>\$ 14,831,071</b>	<b>\$ 16,441,504</b>	<b>\$ 17,022,701</b>

**33. INAC funding**

The First Nation (Recipient) receives funding from Indigenous and Northern Affairs Canada (INAC) by entering into an agreement with INAC.

There are five approaches that INAC may consider in the design and delivery of transfer payment programs:

1. **Grant approach** – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. **Set contribution approach** – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to INAC annually.
3. **Fixed contribution approach** – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by INAC. A plan must be submitted and approved by INAC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by INAC.
4. **Flexible contribution approach** – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to INAC at the end of the project, program or agreement.
5. **Block contribution approach** – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by INAC.

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**34. Segmented Information**

As previously discussed in note 2 (l) the First Nation conducts its business through reportable segments as follows:

**1) Indigenous and Northern Affairs Canada (INAC)**

**Claims and Indian Government:**

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

**Community Development:**

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

**Economic Development:**

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

**Education:**

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with INAC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide Internet access, information technology equipment, technical support and training to students and school staff.

**Indian Government Support:**

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
**March 31, 2016**

**34. Segmented information, continued**

**Land Management:**

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

**Social Development:**

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

**Indian Registration:**

Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

**Governance and Institutions of Government:**

Costs associated with Governance and Institution of Government activities.

**2) Health Programs (FNIHB)**

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

**3) Canada Mortgage and Housing Corporation (CMHC)**

Non-Profit On-Reserve Housing Program (Section 85); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

**4) Band programs**

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

**Schedule #1**  
**Black Lake Denesuline Nation**  
**Community Infrastructure**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Revenue</b>			
INAC - fixed	\$ 484,522	\$ 486,343	\$ 484,782
INAC - flexible	683,618	808,518	2,083,518
Other revenue	-	58,208	588
Unexpended funds transferred - prior year	-	-	199,023
Deferred revenue - prior period	-	552,198	431,146
Deferred revenue - current period	-	(270,856)	(552,198)
	<b>1,168,040</b>	<b>1,634,411</b>	<b>2,646,859</b>
<b>Expenses</b>			
Administration - program costs	50,000	54,894	9,246
Bank charges and interest	-	-	400
Consultants and contractors	28,199	447,676	1,324,366
Fuel	33,390	22,602	58,390
Insurance	104,048	114,272	74,676
Long term debt - principle & interest payments	350,000	446,375	238,845
Long term debt - principle repayment	-	(385,153)	(173,071)
Other expenses	22,455	28,371	-
Repairs and maintenance	344,487	287,263	401,445
Supplies	-	500	-
Telephone	1,850	2,239	1,850
Travel, meetings, per diems	2,625	3,850	7,125
Utilities	236,660	195,884	125,115
Wages and benefits	188,568	183,640	293,111
Transfer to capital assets	-	(394,159)	(1,056,930)
	<b>1,362,282</b>	<b>1,008,254</b>	<b>1,304,568</b>
<b>Current surplus before transfers</b>	<b>(194,242)</b>	<b>626,157</b>	<b>1,342,291</b>
<b>Transfers</b>			
Transfer - amortization	-	(844,004)	(844,007)
<b>Current surplus (deficit)</b>	<b>\$ (194,242)</b>	<b>\$ (217,847)</b>	<b>\$ 498,284</b>

The accompanying notes are an integral part of the financial statements

**Schedule #2**  
**Black Lake Denesuline Nation**  
**Economic Development**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenue</b>			
Prince Albert Grand Council	\$ 76,500	\$ 76,500	\$ -
Prince Albert Grand Council - Fire Smart Project	- 77,989		
	<b>76,500</b>	<b>154,489</b>	<b>-</b>
<b>Expenses</b>			
Consultants and contractors	- 7,642		
Economic development	- 632		
Fire Smart (brush thinning) project	- 93,266		
Wages and benefits	- 2,294		
	<b>-</b>	<b>103,834</b>	<b>-</b>
<b>Current surplus</b>	<b>\$ 76,600</b>	<b>\$ 50,655</b>	<b>\$ -</b>

The accompanying notes are an integral part of the financial statements

**Schedule #3**  
**Black Lake Denesuline Nation**  
**Education**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	2016 Budget	2016 Actual	2015 Actual
<b>Revenue</b>			
INAC - fixed	\$ 4,426,869	\$ 4,448,330	\$ 4,296,681
INAC - set	246,319	234,594	382,289
INAC - prior period revenue (recovery)	-	(11,993)	-
Prince Albert Grand Council	594,534	644,160	625,574
<u>Unexpended funds transferred - prior year</u>	<u>-</u>	<u>-</u>	<u>431,930</u>
	<b>5,269,722</b>	<b>5,315,091</b>	<b>5,736,474</b>
<b>Expenses</b>			
Administration	-	201,636	103,968
Bank charges and interest	45,500	-	-
Consultants and contractors	39,962	-	48,197
Cultural programs	500	500	400
Equipment rental	-	-	346
Freight	6,743	17,563	33,207
Fuel	11,800	13,984	13,999
Insurance	19,853	21,863	51,023
Long term debt - principle & Interest payments	52,824	52,822	52,822
Long term debt - principle repayment	-	(20,554)	(20,145)
Post Secondary - administration	78,198	70,672	77,757
Post Secondary - entrance preparation	115,000	117,593	85,787
Post Secondary - student expenses	594,500	599,948	474,648
Professional fees	30,000	-	25,332
Program expenses	10,000	12,725	11,980
Repairs and maintenance	19,000	33,344	117,644
Student allowance	13,300	13,510	-
Student expenses	67,516	38,927	61,267
Student tuition	143,080	137,014	253,275
Supplies	320,993	298,940	283,719
Telephone	10,000	7,598	8,129
Training	-	339	28,894
Travel, meetings, per diems	109,456	122,161	162,444
Utilities	263,687	206,241	251,253
Wages and benefits	3,285,247	3,337,153	3,487,629
<u>Youth - extra curricular activities</u>	<u>-</u>	<u>46,970</u>	<u>83,678</u>
	<b>5,237,159</b>	<b>5,330,949</b>	<b>5,697,253</b>
<b>Current surplus (deficit) before transfers</b>	<b>32,563</b>	<b>(15,858)</b>	<b>39,221</b>
<b>Transfers</b>			
<u>Transfer - amortization</u>	<u>-</u>	<u>(616,224)</u>	<u>(609,947)</u>
<b>Current deficit</b>	<b>\$ 32,563</b>	<b>\$ (632,082)</b>	<b>\$ (570,726)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #4**  
**Black Lake Denesuline Nation**  
**Indian Government Support**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	2016 Budget	2016 Actual	2015 Actual
<b>Revenue</b>			
INAC - grant	\$ 753,421	\$ 753,421	\$ 753,421
INAC - fixed	42,414	42,412	40,223
INAC - set	187,093	187,093	185,937
INAC - current year receivable (payable)	-	-	24,156
Prince Albert Grand Council	23,930	23,930	23,930
Other revenue	-	-	23,316
	<b>1,006,858</b>	<b>1,006,856</b>	<b>1,050,983</b>
<b>Expenses</b>			
Bank charges and interest	30,000	98,727	88,045
Consultants and contractors	80,000	74,467	181,429
Election expenses	7,500	7,150	25,260
Fuel	7,000	5,982	12,460
Honorariums	-	-	10,975
Professional fees	88,000	31,252	98,552
Supplies	80,000	123,003	92,639
Telephone	35,000	45,402	34,564
Travel, meetings, per diems	296,200	275,360	309,544
Wages and benefits	779,315	777,999	685,368
	<b>1,403,015</b>	<b>1,439,342</b>	<b>1,538,836</b>
<b>Current deficit before transfers</b>	<b>(396,157)</b>	<b>(432,486)</b>	<b>(487,853)</b>
<b>Transfers</b>			
Transfer - other band programs	200,000	525,000	-
<b>Current surplus (deficit)</b>	<b>\$ (196,157)</b>	<b>\$ 92,514</b>	<b>\$ (487,853)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #5**  
**Black Lake Denesuline Nation**  
**Land Management**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	2016 Budget	2016 Actual	2015 Actual
<b>Revenue</b>			
INAC - set	\$ 357,000	\$ 357,000	\$ 146,000
<b>Expenses</b>			
Administration	9,500	9,500	-
Consultants and contractors	85,500	86,500	-
Fridge recycling project	262,000	261,244	146,434
	<hr/> 357,000	<hr/> 357,244	<hr/> 146,434
<b>Current deficit</b>	\$ -	\$ (244)	\$ (434)

The accompanying notes are an integral part of the financial statements

**Schedule #6**  
**Black Lake Denesuline Nation**  
**Social Services**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Restated</b>
<b>Revenue</b>			
INAC - fixed	\$ 150,334	\$ 150,334	\$ 86,448
INAC - set	3,008,923	2,894,217	2,956,736
INAC - prior period revenue (recovery)	-	(41,590)	(110,829)
INAC - current year receivable (payable)	-	(70,832)	(42,365)
Unexpended funds transferred - prior year	-	-	10,934
	<b>3,159,257</b>	<b>2,932,129</b>	<b>2,900,924</b>
<b>Expenses</b>			
Administration	15,000	9,168	-
Assistance - basic needs	2,305,270	2,319,131	2,471,660
Assistance - special needs	216,240	116,777	152,124
Bank charges and interest	3,000	11,740	2,916
Consultants and contractors	56,160	58,891	13,698
Cultural programs	42,250	61,204	42,250
NCBR - administration	43,432	37,250	42,674
NCBR - community based support	174,637	174,245	174,637
NCBR - home to work transition	100,000	100,250	100,000
Supplies	35,000	30,831	34,548
Telephone	500	997	446
Travel, meetings, per diems	17,000	30,892	12,940
Wages and benefits	150,834	146,295	147,764
	<b>3,159,323</b>	<b>3,097,671</b>	<b>3,195,657</b>
<b>Current deficit</b>	<b>\$ (66)</b>	<b>\$ (165,542)</b>	<b>\$ (294,733)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #7**  
**Black Lake Denesuline Nation**  
**Indian Registration**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	2016 Budget	2016 Actual	2015 Actual
<b>Revenue</b>			
INAC - fixed	\$ 15,194	\$ 15,194	\$ 15,066
<b>Expenses</b>			
Supplies	-	121	-
Travel, meetings, per diems	-	2,376	-
Wages and benefits	20,025	12,697	19,413
	<b>20,025</b>	<b>15,194</b>	<b>19,413</b>
<b>Current deficit</b>	<b>\$ (4,831)</b>	<b>\$ -</b>	<b>\$ (4,347)</b>

The accompanying notes are an integral part of the financial statements

Schedule #8  
**Black Lake Denesuline Nation**  
**Governance and Institutions of Governance**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	2016 Budget	2016 Actual	2015 Actual
<b>Revenue</b>			
INAC - fixed	\$ -	\$ 139,000	\$ -
<b>Expenses</b>			
Administration	-	13,900	-
Consultants and contractors	-	94,000	-
Cultural programs	-	5,000	-
Travel, meetings, per diems	-	5,700	-
Wages and benefits	-	4,936	-
	-	123,536	-
<b>Current surplus before unexpended transfers</b>	-	15,464	-
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(15,464)	-
<b>Current surplus</b>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

**Schedule #9**  
**Black Lake Denesuline Nation**  
**Health**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	2016 Budget	2016 Actual	2015 Actual
<b>Revenue</b>			
Athabasca Health Authority	\$ 1,042,413	\$ 1,048,413	\$ 1,014,119
AHA - prior period revenue (recovery)	-	3,720	-
Health Canada	35,000	35,000	35,000
Prince Albert Grand Council	201,762	230,825	193,951
Other revenue	<u>24,267</u>	<u>9,413</u>	<u>25,155</u>
	<u>1,303,442</u>	<u>1,327,371</u>	<u>1,268,225</u>
<b>Expenses</b>			
Administration	11,310	9,828	11,310
Bank charges and interest	600	-	-
Consultants and contractors	175,967	139,205	173,103
Cultural programs	-	13,892	-
Elders support	601	12,164	601
Freight	5,300	2,415	5,243
Fuel	6,278	10,348	8,964
Honorariums	58,380	15,500	36,588
Insurance	6,300	20,757	17,561
Other expenses	1,700	-	1,700
PAGC paid expenses directly	-	4,311	-
Professional fees	14,125	26,375	12,335
Program expenses	159,297	157,394	171,990
Rent - office	12,000	12,000	12,000
Repairs and maintenance - other	19,408	14,771	19,408
Supplies - materials	137,791	159,709	127,645
Telephone	20,000	23,052	20,105
Training	16,841	22,070	10,341
Travel, meetings, per diems	148,080	95,064	90,411
Utilities	26,000	22,343	34,896
Wages and benefits	<u>717,164</u>	<u>609,870</u>	<u>562,418</u>
	<u>1,537,142</u>	<u>1,371,068</u>	<u>1,316,619</u>
<b>Current deficit</b>	<b>\$ (233,700)</b>	<b>\$ (43,697)</b>	<b>\$ (48,394)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #10**  
**Black Lake Denesuline Nation**  
**CMHC Housing**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Revenue</b>			
CMHC - subsidy	\$ -	\$ 254,370	\$ 254,370
Rental revenue - CMHC houses	- -	88,479	90,071
Other revenue	- -	3,325	-
	<hr/>	<hr/>	<hr/>
		<b>346,174</b>	<b>344,441</b>
<b>Expenses</b>			
Administration	- -	43,381	43,361
Bank charges and interest	- -	287	307
Insurance	- -	34,663	30,734
Mortgage - payments principle & interest	- -	247,231	247,230
Mortgage - principle repayment	- -	(185,439)	(181,898)
Professional fees	- -	9,312	9,312
Repairs and maintenance - houses	- -	41,792	22,752
	<hr/>	<hr/>	<hr/>
		<b>191,227</b>	<b>171,798</b>
<b>Current surplus before transfers</b>	- -	<b>154,947</b>	<b>172,643</b>
<b>Transfers</b>			
Transfer - amortization	- -	(253,509)	(253,509)
<b>Current deficit</b>	<b>\$ -</b>	<b>\$ (98,562)</b>	<b>\$ (80,866)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #11**  
**Black Lake Denesuline Nation**  
**Other Band Programs**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Revenue</b>			
Athabasca Health Authority	\$ -	\$ 15,375	\$ 11,600
First Nations Trust	734,974	724,856	734,974
Prince Albert Grand Council	45,000	47,872	123,964
Funds earned & held in trust by federal government	-	15,291	3,566
Northern Lights Community Development Corporation	60,000	184,397	57,625
Black Lake Ventures LP	750,000	1,661,641	650,684
Equity pickup (losses) - related business entities	-	(215,922)	3,583,406
Northern Lights School Division	42,000	-	42,111
North West Company - rebates	40,000	42,132	38,807
West Wind Aviation	40,000	41,590	-
Waterfound LP	300,000	582,406	-
Rental revenue	40,000	44,750	39,790
Other revenue	497,750	406,562	522,572
<u>Administration fees - internal allocation</u>	<u>150,000</u>	<u>287,414</u>	<u>158,639</u>
	<b>2,699,724</b>	<b>3,838,364</b>	<b>5,967,738</b>
<b>Expenses</b>			
Assistance to band members	395,000	258,684	357,629
Bad debts	-	78,950	-
Consultants and contractors	30,000	8,913	28,973
Cultural programs	235,000	176,842	193,166
Denesuline Development Corporation expenses	-	232,407	-
First Nation Trust expenses	95,599	308,661	150,702
Freight	7,500	6,955	134
Governance activities	1,500	327	-
Insurance	7,000	541	8,015
Long term debt - principle & interest payments	666,861	660,872	666,661
Long term debt - principle repayment	-	(498,334)	(474,918)
PAGC paid expenses directly	-	172,133	182,904
Prior period unrecorded unexpended funds	-	-	561,735
Professional fees	32,000	57,316	31,196
Program expenses	20,000	20,509	-
Repairs and maintenance	35,000	27,064	13,431
Supplies	12,000	29,137	12,036
Travel, meetings, per diems	88,000	51,621	71,201
Utilities	10,000	7,951	1,662
<u>Wages and benefits</u>	<u>119,866</u>	<u>88,899</u>	<u>120,133</u>
	<b>1,755,125</b>	<b>1,689,448</b>	<b>1,924,660</b>
<b>Current surplus before transfers</b>	<b>944,599</b>	<b>2,148,916</b>	<b>4,043,078</b>
<b>Transfers</b>			
Transfer - Indian government support	(200,000)	(525,000)	-
<b>Current surplus</b>	<b>\$ 744,599</b>	<b>\$ 1,623,916</b>	<b>\$ 4,043,078</b>

The accompanying notes are an integral part of the financial statements

**Schedule #12**  
**Black Lake Denesuline Nation**  
**Amortization**  
**Schedule of Operations**  
*For the year ended March 31, 2016*

	2016 Budget	2016 Actual	2015 Actual
<b>Revenue</b>	\$ -	\$ -	\$ -
<b>Expenses (amortization)</b>			
Roads & Bridges	- 9,900	9,900	9,900
Sanitation	- 261,601	261,604	261,604
Water System	- 131,198	131,198	131,198
Community Buildings	- 186,457	186,457	186,457
Band Based Capital	- 254,848	254,848	254,848
Bussing	- 6,210	42,210	42,210
School Maintenance	- 574,171	531,894	531,894
Teacherage Maintenance	- 35,843	35,843	35,843
CMHC Section 96	- 253,509	253,509	253,509
	- 1,713,737	1,707,463	1,707,463
<b>Current deficit before transfers</b>	- (1,713,737)	(1,707,463)	(1,707,463)
<b>Transfers</b>			
Transfer - programs	- 1,713,737	1,707,463	1,707,463
<b>Current surplus</b>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements