

**Black Lake Denesuline Nation  
Consolidated Financial Statements  
March 31, 2017**

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**Consolidated Financial Statements**  
*March 31, 2017*

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**Black Lake Denesuline Nation**  
**Management's Responsibility for Financial Reporting**  
*March 31, 2017*

The financial statements have been prepared by management in accordance with the recommendations of the Public Sector Accounting Board (PSAB) and the reporting requirements of the funding agreement with Indigenous and Northern Affairs Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

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.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and review the financial statements and the external auditors' report.

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.

\_\_\_\_\_  
Signature on file  
Black Lake Denesuline Nation

\_\_\_\_\_  
July 29, 2017  
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, 2017, 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, 2017, 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**  
July 29, 2017

*Chalupiak & Associates*

**Chartered Professional Accountants**

**Black Lake Denesuline Nation**  
**Consolidated Statement of Financial Position**  
*March 31, 2017*

	2017	2016
<b>Financial Assets</b>		
Restricted cash - capital projects (Note 3)	\$ 2,250,626	\$ 173,499
Restricted cash - CMHC (Note 3)	651,450	657,723
Trust funds held by federal government (Notes 3 and 4)	164,947	149,515
Accounts receivable (Notes 5 and 6)	942,970	927,589
Investments in related business entities (Notes 7 and 8)	26,558,760	26,194,321
Portfolio investments (Note 9)	4,250	4,250
	<u>30,573,003</u>	<u>28,106,897</u>
<b>Liabilities</b>		
Bank indebtedness (Note 3 and 10)	97,910	517,079
Accounts payable (Note 11)	2,710,019	3,075,881
Deferred revenue - INAC unexpended funds (Note 12)	80,249	15,464
Deferred revenue - non INAC unexpended funds (Note 13)	397,682	-
Deferred revenue (Note 14)	2,311,600	270,856
Current portion of long-term debt (Note 15)	951,256	921,353
Accrued interest on long term debt	35,131	35,219
Current portion of mortgages (Note 16)	196,010	190,107
Long-term debt (Note 15)	2,665,345	3,618,346
CMHC mortgages (Note 16)	2,762,641	2,960,628
	<u>12,207,843</u>	<u>11,604,933</u>
<b>Net financial assets</b>	<u>18,365,160</u>	<u>16,501,964</u>
<b>Non-financial Assets</b>		
Capital assets (Note 18)	25,011,642	25,184,603
Prepaid expenses (Note 19)	-	19,422
	<u>25,011,642</u>	<u>25,204,025</u>
<b>Accumulated Surplus</b> (Note 20)	<u>\$ 43,376,802</u>	<u>\$ 41,705,989</u>

**Approved on behalf of the Black Lake Denesuline Nation:**

\_\_\_\_\_  
Signature on file

\_\_\_\_\_  
Signature on file

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, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - grant	\$ 753,421	\$ 817,102	\$ 753,421
INAC - fixed	5,887,692	5,963,167	5,281,613
INAC - set	3,399,682	3,477,148	3,672,904
INAC - flexible	2,616,776	3,106,178	808,518
INAC - prior period revenue (recovery)	-	(18,424)	(53,583)
INAC - current year receivable (payable)	-	90,153	(70,832)
Athabasca Health Authority	1,042,413	1,132,452	1,067,508
Health Canada	35,000	35,000	35,000
CMHC	207,164	458,771	254,370
Impact Benefit Agreement (Note 25)	2,835,000	2,835,000	-
First Nations Trust	-	666,973	724,856
Prince Albert Grand Council	1,652,525	1,789,824	1,101,276
Funds earned & held in trust by federal government	-	15,432	15,291
Northern Lights Community Development Corporation	-	173,788	184,397
Black Lake Ventures LP	-	426,452	1,661,641
Equity pickup (losses) - related business entities (Note 8)	-	364,439	(215,922)
North West Company - rebates	-	42,119	42,132
West Wind Aviation	-	-	41,590
Waterfound LP	-	422,784	582,406
Rental revenue - CMHC houses	-	62,608	88,479
Rental revenue	-	47,900	44,750
Other revenue	25,000	559,151	477,509
Administration fees - internal allocation (Note 2.m)	-	399,166	287,414
Unexpended funds transferred - prior year	-	15,464	-
Deferred revenue - prior period	-	270,856	552,198
Deferred revenue - current period	-	(2,311,600)	(270,856)
Write down of payables	-	322,685	-
	<b>18,454,673</b>	<b>21,164,588</b>	<b>17,066,080</b>
<b>Expenses</b>			
Claims and Indian Government (Schedule 1)	-	68,086	-
Community Infrastructure (Schedule 2)	3,396,420	1,337,160	1,008,254
Economic Development (Schedule 3)	54,000	69,008	103,834
Education (Schedule 4)	6,592,028	6,234,534	5,330,949
Indian Government Support (Schedule 5)	1,462,065	1,638,948	1,491,192
Land Management (Schedule 6)	361,050	418,351	357,244
Social Services (Schedule 7)	2,930,263	3,531,919	3,097,671
Indian Registration (Schedule 8)	15,113	22,614	15,194
Governance and Institutions of Governance (Schedule 9)	84,936	50,289	123,536
Health (Schedule 10)	1,356,216	1,431,280	1,371,069
CMHC Housing (Schedule 11)	-	191,154	191,227
Other Band Programs (Schedule 12)	3,032,873	2,302,474	1,637,598
Amortization (Schedule 13)	-	1,720,021	1,713,737
	<b>19,284,964</b>	<b>19,015,838</b>	<b>16,441,505</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, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Current surplus before unexpended transfers</b>	(830,291)	2,148,750	624,579
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(477,931)	(15,464)
<b>Current surplus</b>	\$ (830,291)	\$ 1,670,819	\$ 609,115

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, 2017*

	2017	2016
<b>Surplus at beginning of year</b>	\$ 41,705,988	\$ 41,096,873
<b>Current surplus</b>	1,670,819	609,115
<b>Surplus at end of year</b>	<u>\$ 43,376,807</u>	<u>\$ 41,705,988</u>

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, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Current surplus</b>	\$ (830,291)	\$ 1,670,819	\$ 609,115
Acquisition of tangible capital assets	-	(1,547,061)	(394,160)
Amortization of tangible capital assets	-	1,720,016	1,713,737
	-	172,955	1,319,577
Acquisition of prepaid asset	-	-	(19,422)
Use of prepaid asset	19,422	19,422	41,232
	19,422	19,422	21,810
(Decrease) increase in net financial assets	(810,869)	1,863,196	1,950,502
Net financial assets at beginning of year	16,501,964	16,501,964	14,551,462
<b>Net financial assets at end of year</b>	<b>\$ 15,691,095</b>	<b>\$ 18,365,160</b>	<b>\$ 16,501,964</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, 2017*

	2017	2016
<b>Cash flows from Operating activities</b>		
Current surplus	\$ 1,670,819	\$ 609,115
Loss (earnings) from investment in business partnerships	(1,379,280)	(1,759,729)
Loss (earnings) from investment in incorporated businesses	3,289	5,033
Amortization	1,720,021	1,713,737
	2,014,849	568,156
Change in non-cash operating working capital		
Accounts receivable	(15,381)	221,340
Prepaid expenses	19,422	21,810
Accounts payable	(365,866)	(651,797)
Deferred revenue - INAC unexpended funds	64,785	15,464
Deferred revenue - non INAC unexpended funds	397,682	-
Deferred revenue	2,040,744	(281,342)
Accrued interest on long term debt	(88)	(8,177)
Restricted cash - CMHC	6,273	(86,566)
Trust funds held by federal government	(15,432)	(15,292)
	4,146,988	(216,404)
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,547,061)	(394,159)
<b>Financing activities</b>		
Repayment of long-term debt	(923,099)	(895,864)
Principle repayment of mortgages - CMHC	(192,084)	(185,439)
	(1,115,183)	(1,081,303)
<b>Investing activities</b>		
Contributions to business partnerships	(5,091)	(273,429)
Withdrawals from business partnerships	1,016,643	2,244,047
	1,011,552	1,970,618
<b>Increase in cash and cash equivalents</b>	2,496,296	278,752
<b>Cash and cash equivalents, beginning of year</b>	(343,580)	(622,332)
<b>Cash and cash equivalents, end of year</b>	\$ 2,152,716	\$ (343,580)
<b>Represented by</b>		
Cash	\$ (97,910)	\$ (517,079)
Restricted cash - capital projects	2,250,626	173,499
	\$ 2,152,716	\$ (343,580)

The accompanying notes are an integral part of the financial statements

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**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

**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 (PAGC 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.

**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, 2017.

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
Automotive equipment	3-5 years Straight line
Computer equipment	3 years Straight line
Furniture and equipment	5 years Straight line
Equipment	5-15 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.

**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."

**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 being performed is deferred and recognized when the fee is earned or the service is 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, 2017*

**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.

	2017	2016
Unrestricted cash		
CMHC operations	\$ 64,816	\$ 32,321
General operations	35,807	(322,269)
Social development	(198,533)	(227,130)
	(97,910)	(517,078)
Restricted cash - capital projects		
Stage 2 Sub-division	97,753	145,856
WTP Project Expansion & Upgrade Sub-division	454,003	-
FNB Housing	1,518,787	-
Band Based Capital	-	27,643
Lawyers' trust account	180,083	-
	2,250,626	173,499
Restricted cash - CMHC		
	1	-
CMHC Operating Reserve	249,506	197,437
GIC - First Nations Bank - 1.00% - matures May 30, 2017	201,091	205,651
GIC - First Nations Bank - 0.10% - matures February 8, 2018	200,852	254,634
	651,450	657,722
Restricted cash - funds held in trust by the federal government		
Capital funds	2,194	2,194
Revenue funds	162,753	147,321
	164,947	149,515
	\$ 2,969,113	\$ 463,658



**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

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

	2017 Revenue	2017 Capital	2017 Total	2016 Total
Surplus, beginning of year	\$ 147,322	\$ 2,193	\$ 149,515	\$ 134,223
Lease revenue	11,948	-	11,948	11,896
Interest earnings	3,073	-	3,073	2,985
Other	411	-	411	411
Surplus, end of year	\$ 162,754	\$ 2,193	\$ 164,947	\$ 149,515

**5. Accounts receivable**

	2017	2016
<b>Due from members</b>		
Advances	\$ 175,627	\$ 175,283
Social development clients	38,569	54,293
	214,196	229,576
<b>Due from others</b>		
Athabasca Health Authority	139,009	224,869
Prince Albert Grand Council	374,345	186,300
Other	143,900	212,845
	657,254	624,014
<b>Due from government and other government organizations</b>		
INAC	258,456	257,622
CMHC subsidy	20,798	21,197
Health Canada	-	2,913
	279,254	281,732
Allowance for doubtful accounts	1,150,704 (207,734)	1,135,322 (207,734)
<b>Total accounts receivable</b>	<b>\$ 942,970</b>	<b>\$ 927,588</b>

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**6. Accounts receivable - INAC**

	2017	2016
Service Delivery	\$ 66,510	\$ -
Tuition	-	83,513
Band Employee Benefits - Statutory	17,179	-
Institutional Care	28,525	-
Basic Needs	72,038	-
Special Needs	6,397	362
Band Based Capital	67,807	39,247
Consultation & policy development	-	9,500
Water Treatment	-	125,000
<b>Total</b>	<b>\$ 258,456</b>	<b>\$ 257,622</b>

**7. Investments in related business entities**

	Investment, start of year	Contributions	Withdrawals	Share of earnings (loss)	Investment, end of year
Black Lake Development Corporation	\$ 246,973	\$ -	\$ -	\$ (1,575)	\$ 245,398
Black Lake Ventures Ltd	(483)	-	-	(1,831)	(2,314)
Black Lake Ventures LP	24,554,224	5,091	(426,452)	938,740	25,071,603
Elizabeth Falls Hydro Corporation	(52)	-	-	-	(52)
Elizabeth Falls Hydro LP	25,018	-	-	(4,787)	20,231
Waterfound Development LP	1,366,886	-	(357,784)	212,920	1,222,022
Waterfound Development Corporation	1,755	-	-	117	1,872
	<b>\$ 26,194,321</b>	<b>\$ 5,091</b>	<b>\$ (784,236)</b>	<b>\$ 1,143,584</b>	<b>\$ 26,558,760</b>

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**8. 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.

	2017	2016
Black Lake Ventures LP - 99.99%	\$ 25,071,603	\$ 24,554,224
Black Lake Ventures Ltd. - 100%	(2,314)	(908)
Elizabeth Falls Hydro LP - 99.99%	20,231	25,018
Elizabeth Falls Hydro Corporation - 100%	(52)	(52)
Waterfound Development Corporation - 33.33%	1,872	1,755
Waterfound Development LP - 33.33%	1,222,022	1,366,886
Black Lake Development Corporation - 100%	245,398	247,398
	<u>\$ 26,558,760</u>	<u>\$ 26,194,321</u>

	Black Lake Ventures LP & Corporation Mar 31, 2017	Elizabeth Falls Hydro LP & Corporation Mar 31, 2017	Waterfound Development LP & Corporation Dec 31, 2016	Black Lake Development Corporation Mar 31, 2017
Cash	\$ 113,630	\$ 78,492	\$ 12,433	\$ -
Accounts receivable	-	20,854	150	-
Prepaid expenses	6,245	2,403	-	-
Tangible capital assets	1,948,544	-	-	-
Due from related parties	-	-	-	247,397
Investments	25,073,071	(52)	3,665,784	-
<b>Total assets</b>	<u>\$ 27,141,490</u>	<u>\$ 101,697</u>	<u>\$ 3,678,367</u>	<u>\$ 247,397</u>

Accounts payable	\$ 31,576	\$ 15,308	\$ 5,898	\$ 1,999
Deferred revenue	-	66,262	-	-
Long-term debt	1,791,042	-	-	-
Due to related parties	247,397	-	20	-
<b>Total liabilities</b>	<u>2,070,015</u>	<u>81,570</u>	<u>5,918</u>	<u>1,999</u>
<b>Equity</b>	<u>25,071,475</u>	<u>20,127</u>	<u>3,672,449</u>	<u>245,398</u>
<b>Total equity</b>	<u>25,071,475</u>	<u>20,127</u>	<u>3,672,449</u>	<u>245,398</u>
<b>Total liabilities and equity</b>	<u>\$ 27,141,490</u>	<u>\$ 101,697</u>	<u>\$ 3,678,367</u>	<u>\$ 247,397</u>

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**8. Investment in government business enterprises, continued**

	Black Lake Ventures LP & Corporation Mar 31, 2017	Elizabeth Falls Hydro LP & Corporation Mar 31, 2017	Waterfound Development LP & Corporation Dec 31, 2016	Black Lake Development Corporation Mar 31, 2017
Revenue	\$ 1,209,537	\$ 864,143	\$ 649,190	\$ -
Expenses	272,109	868,930	9,441	2,000
Total expenses	272,109	868,930	9,441	2,000
Net income	\$ 937,428	\$ (4,787)	\$ 639,749	\$ (2,000)

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.

**9. Portfolio investments**

	2017	2016
CanAlaska Uranium Ltd	\$ 4,250	\$ 4,250

**10. Bank indebtedness**

The First Nation has an operating line of credit with First Nations Bank authorized to \$250,000 (2016 - \$250,000) for all accounts of the First Nation and bears interest at prime plus 1.5%. On March 31, 2017 the First Nation had issued cheques in excess of deposits totalling \$226,626 (2016 - \$655,099).

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

	2017	2016
<b>Due to members</b>		
Accrued wages	\$ 162,989	\$ 99,206
Social development	305,191	100,023
	<hr/> 468,180	<hr/> 199,229
<b>Due to others</b>		
SunLife - pension	29,138	61,943
Prince Albert Grand Council	565,242	688,381
Woodland - new housing units	180,000	727,015
Trade payables	1,383,511	1,299,638
	<hr/> 2,157,891	<hr/> 2,776,977
<b>Due to government and other government organizations</b>		
CRA payable (overpayment)	31,629	(12,746)
INAC	52,319	112,422
	<hr/> 83,948	<hr/> 99,676
	<hr/> <hr/> \$ 2,710,019	<hr/> <hr/> \$ 3,075,882

In the current year the First Nation recorded a write-down of payables totaling \$322,685 related to Woodland Home and Building Products.

**12. Deferred revenue - INAC 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.

	2017	2016
Consultation and policy development	\$ 50,175	\$ 15,464
Skills Link	6,274	-
Skills Link - construction	23,800	-
	<hr/> \$ 80,249	<hr/> \$ 15,464

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**13. Deferred revenue - non INAC unexpended funds**

	2017	2016
PAGC - RMO Special Education	\$ 199,445	\$ -
PAGC - First Nation Student Success Program	80,930	-
PAGC - New Paths - Language & Culture	117,307	-
	<u>\$ 397,682</u>	<u>\$ -</u>

**14. Deferred revenue**

	March 31, 2016	Funding received, 2017	Revenue recognized, 2017	March 31, 2017
<b>Federal government</b>				
Portable classrooms	\$ 36,320	\$ -	\$ (36,320)	\$ -
Sub-division	109,536	162	-	109,698
Water treatment plant	125,000	489,000	(124,597)	489,403
Immediate needs - multi-plex	-	1,710,960	(192,507)	1,518,453
Immediate needs - capacity	-	122,700	(28,654)	94,046
Immediate needs - innovation	-	100,000	-	100,000
	<u>\$ 270,856</u>	<u>\$ 2,422,822</u>	<u>\$ (382,078)</u>	<u>\$ 2,311,600</u>

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**15. Long-term debt**

	2017	2016
TD Canada Trust - debt consolidation. Term loan, quarterly blended payments of \$135,053, interest at 5.8%. Secured by BCR and general security agreement, due July 2019.	\$ 1,250,040	\$ 1,700,914
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 assignment of INAC funding, BCR and general security agreement, due October 15, 2016.	275,688	475,688
First Nations Bank of Canada - teacherages. Term loan, monthly blended payments of \$4,402, interest at 6.05%, secured by related capital asset, BCR and general security agreement, due September 2030.	486,324	508,965
First Nations Bank of Canada - youth center. Quarterly principal payments of \$16,563, monthly interest payments at 4.70%, secured by related capital asset, BCR and general security agreement, due October 2032.	1,043,438	1,109,688
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 assignment of INAC funding, BCR and general security agreement, due September 2018.	561,111	744,444
	3,616,601	4,539,699
Current portion	951,256	921,353
	<u>\$ 2,665,345</u>	<u>\$ 3,618,346</u>

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

2018	\$ 951,256
2019	857,119
2020	542,862
2021	106,195
2022 and thereafter	1,159,169
	<u>\$ 3,616,601</u>

	2017	2016
Interest expense for the year on long-term debt	\$ 213,428	\$ 256,028

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**16. CMHC mortgages**

	Phase number	Maturity date	Interest rate	Monthly payment	2017	2016
CMHC	1	4/1/2021	1.11%	\$ 1,919	\$ 195,632	\$ 216,545
CMHC	2	12/1/2021	1.31%	4,083	423,486	465,077
CMHC	3	6/1/2018	1.67%	8,992	1,537,552	1,619,338
CMHC	4	5/1/2017	1.80%	5,210	801,981	849,775
					2,958,651	3,150,735
Current portion					196,010	190,107
<b>Total</b>					<b>\$ 2,762,641</b>	<b>\$ 2,960,628</b>

**17. 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, 2017 is \$18,045,792 (2016 - \$17,019,741). 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:

<b>Year</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net Assets</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Surplus(Deficit)</b>
<b>March 2017</b>	<b>730,209</b>	<b>239,272</b>	<b>490,937</b>	<b>1,758,835</b>	<b>1,607,934</b>	<b>150,901</b>
March 2016	564,599	224,561	340,038	1,695,523	1,700,407	(4,884)

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.



**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**18. Tangible capital assets**

	Cost	Additions	Accumulated amortization	2017 Net book value
Buildings	\$ 19,460,451	\$ 83,767	\$ 15,538,921	\$ 4,005,297
Automotive equipment	1,294,381	49,724	1,304,746	39,359
Computer equipment	95,301	3,250	96,758	1,793
Furniture & equipment	-	66,838	13,368	53,470
Equipment	177,660	325,102	228,026	274,736
Infrastructure	15,614,638	-	2,849,066	12,765,572
Housing	17,330,598	-	11,893,613	5,436,984
Assets under construction	1,416,050	1,018,380	-	2,434,430
	<u>\$ 55,389,079</u>	<u>\$ 1,547,061</u>	<u>\$ 31,924,498</u>	<u>\$ 25,011,641</u>

	Cost	Additions	Accumulated amortization	2016 Net book value
Buildings	\$ 18,009,362	\$ 1,451,089	\$ 14,765,476	\$ 4,694,975
Automotive equipment	1,294,381	-	1,281,961	12,420
Computer equipment	95,301	-	95,301	(1)
Equipment	177,660	-	177,660	-
Infrastructure	15,614,638	-	2,456,264	13,158,373
Housing	17,330,598	-	11,427,814	5,902,783
Assets under construction	2,472,980	(1,056,930)	-	1,416,050
	<u>\$ 54,994,920</u>	<u>\$ 394,159</u>	<u>\$ 30,204,476</u>	<u>\$ 25,184,600</u>

**19. Prepaid expenses**

	2017	2016
Insurance - CMHC	\$ -	\$ 19,422

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**20. Accumulated surplus**

	2017	2016
Restricted		
Capital assets	\$ 19,686,431	\$ 19,195,083
Investments in related business entities	26,558,760	26,194,321
Trust funds held by federal government	164,947	149,515
CMHC reserves	787,484	699,538
	<hr/>	<hr/>
	47,197,622	46,238,457
Unrestricted		
Operating surplus (deficit)	(3,820,821)	(4,532,471)
	<hr/>	<hr/>
	\$ 43,376,801	\$ 41,705,986
	<hr/>	<hr/>

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.

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**21. Summary of revenue, expenses, surplus (deficit) by program**

	Revenue	Expenditures	Transfers	Surplus (deficit)
Claims and Indian Government	\$ -	\$ 68,086	\$ -	\$ (68,086)
Community Infrastructure	1,795,547	1,337,160	(757,736)	(299,349)
Economic Development	121,369	69,008	-	52,361
Education	6,185,723	6,234,535	(656,036)	(704,848)
Indian Government Support	1,035,606	1,638,946	701,471	98,131
Land Management	414,870	418,351	-	(3,481)
Social Services	3,081,568	3,531,920	-	(450,352)
Indian Registration	15,113	22,614	-	(7,501)
Governance and Institutions of Governance	50,289	50,289	-	-
Health	1,400,691	1,431,280	-	(30,589)
CMHC Housing	315,873	191,154	(253,509)	(128,790)
Other Band Programs	6,270,008	2,302,475	(754,211)	3,213,322
Amortization	-	1,720,021	1,720,021	-
	<u>\$ 20,686,657</u>	<u>\$ 19,015,839</u>	<u>\$ -</u>	<u>\$ 1,670,818</u>

**22. INAC reconciliation**

	2017	2016
INAC revenue per agreement	\$ 13,382,983	\$ 10,623,319
Prior period revenue (recovery)		
Tuition	-	(11,993)
Institutional care	1,475	-
Special needs	(362)	-
Band employee benefits	(19,537)	-
Current year receivable (payable)		
Band employee benefits	17,179	-
Basic needs	72,038	(70,832)
Special needs	(19,388)	(105,878)
Institutional care	6,036	(510)
P&ID	(5,100)	-
Tuition	-	(42,065)
	<u>\$ 13,435,324</u>	<u>\$ 10,392,041</u>

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

	2017		
	Operating	Capital	Total
<b>Federal government transfers</b>			
Indigenous and Northern Affairs Canada	\$ 10,329,146	\$ 3,106,178	\$ 13,435,324
Health Canada	35,000	-	35,000
Canada Mortgage and Housing Corporation	251,607	207,164	458,771
<b>Total</b>	10,615,753	3,313,342	13,929,095
<b>Provincial government transfers</b>	-	-	-
<b>Total</b>	\$ 10,615,753	\$ 3,313,342	\$ 13,929,095

  

	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>	9,872,893	808,518	10,681,411
<b>Provincial government transfers</b>	-	-	-
<b>Total</b>	\$ 9,872,893	\$ 808,518	\$ 10,681,411

**24. 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, 2017 the reserve fund was underfunded by \$136,035 (2016 - \$41,815).

**25. Impact Benefit Agreement (IBA)**

In the current year the First Nation received \$2,835,000 from an impact benefit agreement (IBA) signed with Cameco and AREVA; this included a one time signing payment of \$2,430,000.

**26. 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.

**27. 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, 2017.

**28. 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.

**29. 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.

**30. 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.

**31. 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.

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**32. Expenses by object**

	2017 Budget	2017 Actual	2016 Actual
Administration	\$ 273,946	\$ 353,719	\$ 287,413
Administration - program costs	68,352	54,434	54,894
Advertising, promotions, sponsorships	-	2,000	-
Amortization	-	1,720,021	1,713,737
Assistance - social development	2,268,805	2,845,598	2,435,908
Assistance to band members	246,995	253,718	258,684
Bad debts	-	-	78,950
Bank charges and interest	106,740	129,146	110,754
Consultants and contractors	2,474,481	1,485,321	917,293
Cultural programs	358,847	187,463	257,438
Denesuline Development Corporation expenses	-	5,850	232,407
Economic development	-	-	632
Elders support	24,000	32,424	12,164
Election expenses	150	25,498	7,150
Equipment lease	31,525	43,577	-
Equipment purchases	-	9,601	-
Fire Smart (brush thinning) project	-	-	93,266
First Nation Trust expenses	291,091	5,091	308,661
Freight	25,040	31,409	26,933
Fridge recycling project	-	-	261,244
Fuel	52,825	61,945	52,916
Governance activities	327	-	327
Headstart - FMM/ELCC	22,273	22,255	-
Honorariums	16,400	15,478	15,500
IBA expenses	1,227,837	2,835,001	-
Insurance	190,883	258,625	192,096
Long term debt - principle & interest payments	402,820	1,136,527	1,151,892
Long term debt - principle repayment	665,006	(923,099)	(895,864)
Mortgage - payments principle & interest	-	244,866	247,231
Mortgage - principle repayment	-	(192,084)	(185,439)
NCBR program expenses	293,693	279,660	311,745
Other expenses	28,370	39,476	28,371
PAGC paid expenses directly	1,325	111,605	176,444
Parenting Dietary Program	150	-	-
Post Secondary - administration	75,405	73,313	70,672
Post Secondary - entrance preparation	19,270	-	117,593
Post Secondary - student expenses	716,407	722,993	599,948
Professional fees	318,272	246,716	116,380
Program expenses	336,922	208,034	190,627
Recreation	94,849	90,573	-
Rent - office	12,000	12,000	12,000
Repairs and maintenance	543,985	684,160	404,233
Senior and youth programs	-	-	46,970
Software	20,075	-	-
Student allowance	24,955	24,335	13,510
Student expenses	56,655	61,927	38,927

**Black Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**32. Expenses by object, continued**

	2017 Budget	2017 Actual	2016 Actual
Student tuition	185,288	145,859	137,014
Supplies	724,411	601,043	642,241
Telephone	86,209	80,801	79,287
Training	43,255	68,617	30,284
Travel, meetings, per diems	575,699	753,169	587,023
Utilities	349,883	435,768	432,419
Wages and benefits	6,029,543	5,935,292	5,163,789
Transfer to capital assets	-	(2,203,887)	(394,159)
	<u>\$ 19,284,964</u>	<u>\$ 19,015,838</u>	<u>\$ 16,441,505</u>

### 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.



#### **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.

**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 95); 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**  
**Claims and Indian Government**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>	\$ -	\$ -	\$ -
<b>Expenses</b>			
Consultants and contractors	-	400	-
Professional fees	-	67,686	-
	-	68,086	-
<b>Current deficit</b>	\$ -	\$ (68,086)	\$ -

The accompanying notes are an integral part of the financial statements

**Schedule #2**  
**Black Lake Denesuline Nation**  
**Community Infrastructure**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 520,887	\$ 520,887	\$ 486,343
INAC - flexible	2,616,776	3,106,178	808,518
CMHC - RRAP	71,203	71,203	-
CMHC - other	135,961	135,961	-
Other revenue	-	2,062	58,208
Deferred revenue - prior period	-	270,856	552,198
Deferred revenue - current period	-	(2,311,600)	(270,856)
	3,344,827	1,795,547	1,634,411
<b>Expenses</b>			
Administration	-	1,800	-
Administration - program costs	68,352	54,434	54,894
Bank charges and interest	-	69	-
Consultants and contractors	1,730,213	429,148	447,675
Fuel	20,542	33,075	22,602
Insurance	131,951	154,009	114,272
Long term debt - principle & interest payments	350,000	425,230	444,556
Long term debt - principle repayment	-	(383,333)	(383,334)
Other expenses	28,370	37,476	28,371
Professional fees	135,785	47,096	-
Program expenses	70,000	-	-
Repairs and maintenance	441,331	547,553	287,263
Software	20,075	-	-
Supplies	-	-	500
Telephone	2,240	4,039	2,239
Travel, meetings, per diems	8,850	10,049	3,850
Utilities	177,295	202,257	195,885
Wages and benefits	211,416	175,129	183,638
Transfer to capital assets	-	(400,871)	(394,159)
	3,396,420	1,337,160	1,008,252
<b>Current surplus before transfers</b>	(51,593)	458,387	626,159
<b>Transfers</b>			
Transfer - Amortization	-	(757,736)	(844,004)
<b>Current deficit</b>	\$ (51,593)	\$ (299,349)	\$ (217,845)

The accompanying notes are an integral part of the financial statements

**Schedule #3**  
**Black Lake Denesuline Nation**  
**Economic Development**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Prince Albert Grand Council	\$ -	\$ 76,500	\$ 76,500
Prince Albert Grand Council - Fire Smart Project	54,000	44,869	77,989
	54,000	121,369	154,489
<b>Expenses</b>			
Consultants and contractors	-	8,957	7,642
Economic development	-	-	632
Fire Smart (brush thinning) project	-	-	93,266
Fuel	-	51	-
Professional fees	-	1,087	-
Supplies	-	6,141	-
Travel, meetings, per diems	-	1,300	-
Wages and benefits	54,000	51,472	2,294
	54,000	69,008	103,834
<b>Current surplus</b>	\$ -	\$ 52,361	\$ 50,655

The accompanying notes are an integral part of the financial statements

**Schedule #4**  
**Black Lake Denesuline Nation**  
**Education**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 4,894,303	\$ 4,967,441	\$ 4,448,330
INAC - set	282,867	238,023	234,594
INAC - prior period revenue (recovery)	-	-	(11,993)
Prince Albert Grand Council	1,391,252	1,392,788	644,160
Other revenue	-	15,227	-
	6,568,422	6,613,479	5,315,091
<b>Expenses</b>			
Administration	273,946	284,509	201,636
Advertising, promotions, sponsorships	-	2,000	-
Consultants and contractors	30,500	54,305	-
Cultural programs	88,215	20,548	500
Elders support	12,000	29,322	-
Equipment lease	31,525	43,577	-
Freight	15,670	18,249	17,563
Fuel	15,935	18,381	13,984
Insurance	37,634	24,854	21,863
Long term debt - principle & interest payments	52,820	52,705	53,504
Long term debt - principle repayment	-	(22,641)	(21,236)
Post Secondary - administration	75,405	73,313	70,672
Post Secondary - entrance preparation	19,270	-	117,593
Post Secondary - student expenses	716,407	722,993	599,948
Professional fees	30,240	14,989	-
Program expenses	109,550	39,230	12,725
Repairs and maintenance	49,890	49,891	33,344
Senior and youth programs	-	-	46,970
Student allowance	24,955	24,335	13,510
Student expenses	56,655	61,927	38,927
Student tuition	185,288	145,859	137,014
Supplies	391,157	344,434	298,940
Telephone	13,975	15,364	7,598
Training	22,210	14,210	339
Travel, meetings, per diems	77,877	56,656	122,160
Utilities	143,748	196,119	206,241
Wages and benefits	4,117,156	3,949,406	3,337,154
	6,592,028	6,234,535	5,330,949
<b>Current surplus (deficit) before unexpended transfers</b>	(23,606)	378,944	(15,858)

The accompanying notes are an integral part of the financial statements

**Schedule #4, continued**  
**Black Lake Denesuline Nation**  
**Education**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(427,756)	-
<b>Current deficit before transfers</b>	(23,606)	(48,812)	(15,858)
<b>Transfers</b>			
Transfer - Amortization	-	(656,036)	(616,224)
<b>Current deficit</b>	\$ (23,606)	\$ (704,848)	\$ (632,082)

The accompanying notes are an integral part of the financial statements

**Schedule #5**  
**Black Lake Denesuline Nation**  
**Indian Government Support**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - grant	\$ 753,421	\$ 817,102	\$ 753,421
INAC - fixed	38,171	40,444	42,412
INAC - set	159,784	156,156	187,093
INAC - current year receivable (payable)	-	12,079	-
INAC - prior period revenue (recovery)	-	(19,537)	-
Prince Albert Grand Council	-	-	23,930
Prince Albert Grand Council - prior period	-	8,328	-
Other revenue	-	21,034	-
	<b>951,376</b>	<b>1,035,606</b>	<b>1,006,856</b>
<b>Expenses</b>			
Bank charges and interest	95,000	99,396	98,728
Consultants and contractors	75,000	85,085	74,467
Election expenses	150	25,498	7,150
Fuel	6,000	4,992	5,982
Insurance	-	9,114	-
Equipment purchases	-	9,601	-
Professional fees	62,745	41,237	83,102
Supplies	123,415	56,821	123,003
Telephone	45,945	36,123	45,402
Training	-	1,431	-
Travel, meetings, per diems	279,160	436,151	275,360
Wages and benefits	774,650	833,497	777,997
	<b>1,462,065</b>	<b>1,638,946</b>	<b>1,491,191</b>
<b>Current deficit before transfers</b>	<b>(510,689)</b>	<b>(603,340)</b>	<b>(484,335)</b>
<b>Transfers</b>			
Transfer - Other Band Programs	550,045	702,928	525,000
Transfer - Amortization	-	(1,457)	-
<b>Current surplus</b>	<b>\$ 39,356</b>	<b>\$ 98,131</b>	<b>\$ 40,665</b>

The accompanying notes are an integral part of the financial statements



**Schedule #6**  
**Black Lake Denesuline Nation**  
**Land Management**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 175,930	\$ 175,930	\$ -
INAC - set	185,120	238,940	357,000
	361,050	414,870	357,000
<b>Expenses</b>			
Administration	-	-	9,500
Consultants and contractors	361,050	378,351	86,500
Fridge recycling project	-	-	261,244
Training	-	40,000	-
	361,050	418,351	357,244
<b>Current deficit</b>	\$ -	\$ (3,481)	\$ (244)

The accompanying notes are an integral part of the financial statements

**Schedule #7**  
**Black Lake Denesuline Nation**  
**Social Services**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 158,352	\$ 158,352	\$ 150,334
INAC - set	2,771,911	2,844,029	2,894,217
INAC - prior period revenue (recovery)	-	1,113	(41,590)
INAC - current year receivable (payable)	-	78,074	(70,832)
	2,930,263	3,081,568	2,932,129
<b>Expenses</b>			
Administration	-	4,115	9,168
Assistance - basic needs	2,073,020	2,628,149	2,319,131
Assistance - special needs	195,785	217,449	116,777
Bank charges and interest	11,740	29,289	11,740
Consultants and contractors	56,160	85,934	58,891
Cultural programs	75,188	89,556	61,204
NCBR - administration	37,250	55,375	37,250
NCBR - community based support	156,193	118,744	174,245
NCBR - home to work transition	100,250	105,541	100,250
Parenting Dietary Program	150	-	-
Professional fees	17,186	17,160	-
Program expenses	140	-	-
Supplies	30,831	24,717	30,831
Telephone	997	365	997
Travel, meetings, per diems	30,892	18,324	30,892
Wages and benefits	144,481	137,202	146,295
	2,930,263	3,531,920	3,097,671
<b>Current deficit</b>	\$ -	\$ (450,352)	\$ (165,542)

The accompanying notes are an integral part of the financial statements

**Schedule #8**  
**Black Lake Denesuline Nation**  
**Indian Registration**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 15,113	\$ 15,113	\$ 15,194
<b>Expenses</b>			
Supplies	121	-	121
Travel, meetings, per diems	2,376	3,600	2,376
Wages and benefits	12,616	19,014	12,697
	15,113	22,614	15,194
<b>Current deficit</b>	\$ -	\$ (7,501)	\$ -

The accompanying notes are an integral part of the financial statements

**Schedule #9**  
**Black Lake Denesuline Nation**  
**Governance and Institutions of Governance**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 84,936	\$ 85,000	\$ 139,000
Unexpended funds transferred - prior year	-	15,464	-
	84,936	100,464	139,000
<b>Expenses</b>			
Administration	-	8,500	13,900
Consultants and contractors	74,300	850	94,000
Cultural programs	-	5,765	5,000
Travel, meetings, per diems	5,700	10,075	5,700
Wages and benefits	4,936	25,099	4,936
	84,936	50,289	123,536
<b>Current surplus before unexpended transfers</b>	-	50,175	15,464
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(50,175)	(15,464)
<b>Current surplus</b>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

**Schedule #10**  
**Black Lake Denesuline Nation**  
**Health**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Athabasca Health Authority	\$ 1,042,413	\$ 1,106,057	\$ 1,048,413
AHA - prior period revenue (recovery)	-	(14,405)	3,720
Health Canada	35,000	35,000	35,000
Prince Albert Grand Council	207,273	229,539	230,825
Other revenue	25,000	44,500	9,413
	1,309,686	1,400,691	1,327,371
<b>Expenses</b>			
Administration	-	11,410	9,828
Consultants and contractors	139,995	187,779	139,205
Cultural programs	5,165	-	13,892
Elders support	12,000	3,102	12,164
Freight	2,415	3,450	2,415
Fuel	10,348	5,447	10,348
Headstart - FMM/ELCC	22,273	22,255	-
Honorariums	16,400	15,478	15,500
Insurance	18,687	23,043	20,757
Other expenses	-	2,000	-
PAGC paid expenses directly	-	5,571	4,311
Professional fees	15,000	15,700	18,500
Program expenses	157,232	168,804	157,393
Rent - office	12,000	12,000	12,000
Repairs and maintenance - other	14,771	39,785	14,771
Supplies - materials	149,750	100,720	159,709
Telephone	23,052	24,910	23,051
Training	21,045	12,976	29,945
Travel, meetings, per diems	93,807	130,817	95,064
Utilities	20,889	36,391	22,343
Wages and benefits	621,387	609,642	609,871
	1,356,216	1,431,280	1,371,067
<b>Current deficit</b>	<b>\$ (46,530)</b>	<b>\$ (30,589)</b>	<b>\$ (43,696)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #11**  
**Black Lake Denesuline Nation**  
**CMHC Housing**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
CMHC - subsidy	\$ -	\$ 251,607	\$ 254,370
Rental revenue - CMHC houses	-	62,608	88,479
Other revenue	-	1,658	3,325
	-	315,873	346,174
<b>Expenses</b>			
Administration	-	43,385	43,381
Bank charges and interest	-	284	287
Insurance	-	44,529	34,663
Mortgage - payments principle & interest	-	244,866	247,231
Mortgage - principle repayment	-	(192,084)	(185,439)
Professional fees	-	9,312	9,312
Repairs and maintenance - houses	-	40,862	41,792
	-	191,154	191,227
<b>Current surplus before transfers</b>	-	124,719	154,947
<b>Transfers</b>			
Transfer - Amortization	-	(253,509)	(253,509)
<b>Current deficit</b>	\$ -	\$ (128,790)	\$ (98,562)

The accompanying notes are an integral part of the financial statements

**Schedule #12**  
**Black Lake Denesuline Nation**  
**Other Band Programs**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Athabasca Health Authority	\$ -	\$ 40,800	\$ 15,375
Impact Benefit Agreement (Note 25)	2,835,000	2,835,000	-
First Nations Trust	-	666,973	724,856
Prince Albert Grand Council	-	37,800	47,872
Funds earned & held in trust by federal government	-	15,432	15,291
Northern Lights Community Development Corporation	-	173,788	184,397
Black Lake Ventures LP	-	426,452	1,661,641
Equity pickup (losses) - related business entities	-	364,439	(215,922)
North West Company - rebates	-	42,119	42,132
West Wind Aviation	-	-	41,590
Waterfound LP	-	422,784	582,406
Rental revenue	-	47,900	44,750
Other revenue	-	474,670	406,562
Administration fees - internal allocation	-	399,166	287,414
Write down of payables (Note 11)	-	322,685	-
	<b>2,835,000</b>	<b>6,270,008</b>	<b>3,838,364</b>
<b>Expenses</b>			
Assistance to band members	246,995	253,718	258,684
Bad debts	-	-	78,950
Bank charges and interest	-	108	-
Consultants and contractors	7,263	254,511	8,913
Cultural programs	190,279	71,595	176,842
Denesuline Development Corporation expenses	-	5,850	232,407
First Nation Trust expenses	291,091	5,091	308,661
Freight	6,955	9,710	6,955
Governance activities	327	-	327
IBA expenses	1,227,837	2,835,001	-
Insurance	2,611	3,077	541
Long term debt - principle & interest payments	-	658,592	653,832
Long term debt - principle repayment	665,006	(517,125)	(491,294)
PAGC paid expenses directly	1,325	106,033	172,133
Professional fees	57,316	32,450	5,466
Program expenses	-	-	20,509
Recreation	94,849	90,573	-
Repairs and maintenance	37,993	6,069	27,064
Supplies	29,137	68,210	29,137
Travel, meetings, per diems	77,037	86,197	51,621
Utilities	7,951	1,000	7,951
Wages and benefits	88,901	134,831	88,899
Transfer to capital assets	-	(1,803,016)	-
	<b>3,032,873</b>	<b>2,302,475</b>	<b>1,637,598</b>
<b>Current surplus before transfers</b>	<b>(197,873)</b>	<b>3,967,533</b>	<b>2,200,766</b>

The accompanying notes are an integral part of the financial statements

**Schedule #12, continued**  
**Black Lake Denesuline Nation**  
**Other Band Programs**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<hr/>			
<b>Transfers</b>			
Transfer - Indian Government Support	(550,045)	(702,928)	(525,000)
Transfer - Amortization	-	(51,283)	-
<hr/>			
<b>Current surplus</b>	\$ (747,918)	\$ 3,213,322	\$ 1,675,766
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The accompanying notes are an integral part of the financial statements



**Schedule #13**  
**Black Lake Denesuline Nation**  
**Amortization**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>	\$ -	\$ -	\$ -
<b>Expenses (amortization)</b>			
Band Based Capital	-	176,447	254,848
Band Support Funding	-	1,457	-
Bussing	-	6,210	6,210
CMHC Section 95	-	253,509	253,509
Community Buildings	-	180,157	186,457
Fire Protection	-	8,330	-
Other Band programs	-	51,283	-
Roads & Bridges	-	-	9,900
Sanitation	-	261,604	261,601
School Maintenance	-	612,857	574,171
Teacherage Maintenance	-	36,969	35,843
Water System	-	131,198	131,198
	-	1,720,021	1,713,737
<b>Current deficit before transfers</b>	-	(1,720,021)	(1,713,737)
<b>Transfers</b>			
Transfer - Programs	-	1,720,021	1,713,737
<b>Current surplus</b>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements