

**Black Lake Denesuline Nation
Consolidated Financial Statements
March 31, 2019**

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March 31, 2019

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Black Lake Denesuline Nation
Management's Responsibility for Financial Reporting
March 31, 2019

To the Members of Black Lake Denesuline Nation:

The accompanying consolidated financial statements of Black Lake Denesuline Nation are the responsibility of management and have been approved by the Chief and Council.

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

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

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the consolidated financial statements. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

Chalupiak & Associates CPA Professional Corporation, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

On behalf of Black Lake Denesuline Nation:

Signature on file
Black Lake Denesuline Nation

November 25, 2019
Date



Chalupiak & Associates CPA Professional Corporation

Chartered Professional Accountants
3261 Saskatchewan Drive
Regina, Saskatchewan S4T 6S4
Phone: 306-359-3711 Fax: 306-569-3030

Independent Auditors' Report

To the Members of
Black Lake Denesuline Nation

Opinion

We have audited the consolidated financial statements of Black Lake Denesuline Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations, its changes in its consolidated net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

We also:

- ♦ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- ♦ Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Regina, Saskatchewan
November 25, 2019**

Chalupiak & Associates

Chartered Professional Accountants

Black Lake Denesuline Nation
Consolidated Statement of Financial Position
March 31, 2019

	2019	2018 Restated
Financial Assets		
Restricted cash - capital projects (Note 3)	\$ 8,969,391	\$ 3,786,730
Restricted cash - CMHC (Note 3)	507,941	749,171
Trust funds held by federal government (Notes 3 and 4)	173,312	167,110
Due from Black Lake Ventures LP (Note 5)	30,566	242,975
Accounts receivable (Notes 6 and 7)	1,473,445	1,147,436
Investments in related business entities (Notes 8 and 9)	27,144,928	27,807,735
Portfolio investments (Note 10)	4,250	4,250
	<hr/> 38,303,833	<hr/> 33,905,407
Liabilities		
Bank indebtedness (Note 3 and 11)	159,814	727,094
Accounts payable (Note 12)	1,499,687	1,051,732
Deferred revenue - unexpended funds - ISC (Note 13)	441,640	248,759
Deferred revenue - unexpended funds - non ISC (Note 14)	-	69,076
Deferred revenue (Note 15)	8,433,824	3,674,638
Current portion of long-term debt (Note 16)	538,037	612,123
Current portion of mortgages (Note 17)	261,225	256,640
Long-term debt (Note 16)	3,219,170	3,757,402
CMHC mortgages (Note 17)	4,155,370	3,929,569
	<hr/> 18,708,767	<hr/> 14,327,033
Net financial assets	19,595,066	19,578,374
Non-financial Assets		
Capital assets (Note 18)	24,217,378	24,951,614
Accumulated Surplus (Note 19)	<hr/> \$ 43,812,444	<hr/> \$ 44,529,988

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, 2019

	2019 Budget	2019 Actual	2018 Restated
Revenue			
Indigenous Services Canada - grant	\$ 1,099,739	\$ 1,085,262	\$ 1,099,739
Indigenous Services Canada - fixed	6,902,629	6,936,473	5,872,908
Indigenous Services Canada - set	571,795	571,795	385,720
Indigenous Services Canada - flexible	3,520,391	9,263,167	6,900,170
ISC - prior period revenue (recovery)	-	(12,547)	(151,713)
ISC - current year receivable (payable)	-	101,759	207,491
Athabasca Health Authority	1,262,211	1,305,174	1,259,942
Prince Albert Grand Council	1,804,602	2,012,325	1,907,137
CMHC	87,750	477,647	546,995
Impact Benefit Agreement (Note 24)	600,000	279,274	724,950
First Nations Trust	680,000	683,235	676,626
Treaty 8 Specific Claims	-	616,510	-
Funds earned & held in trust by federal government	-	6,202	2,163
Northern Lights Community Development Corporation	130,000	122,240	139,889
Black Lake Ventures LP	-	38,000	80,013
Waterfound LP	-	-	66,000
Loss on transfer of investment - Waterfound (Note 8)	-	-	(131,000)
Equity pickup (losses) - related business entities (Note 9)	-	(662,807)	2,472,869
Northern Lights School Division	-	60,000	2,412
North West Company - rebates	45,000	47,122	44,415
Rental revenue - CMHC houses	-	47,366	56,072
Rental revenue	50,000	51,175	50,825
Insurance proceeds	-	499,578	-
Other revenue	700,000	765,363	716,632
Administration fees - internal allocation (Note 2.m)	525,000	576,740	525,313
Unexpended funds transferred - prior year	64,522	341,046	477,931
Deferred revenue - prior period	407,867	3,674,638	2,311,600
Deferred revenue - current period	-	(8,433,824)	(3,674,638)
Write down of payables	-	58,768	-
	18,451,506	20,511,681	22,570,461
Expenses			
Claims and Indian Government (Schedule 1)	-	307,438	3,966
Community Infrastructure (Schedule 2)	1,964,275	1,965,645	1,659,572
Economic Development (Schedule 3)	50,000	50,913	527
Education (Schedule 4)	7,141,202	7,002,340	7,021,550
Indian Government Support (Schedule 5)	1,848,374	1,849,845	1,926,067
Land Management (Schedule 6)	320,777	321,870	252,526
Social Services (Schedule 7)	3,092,520	3,932,303	3,446,832
Indian Registration (Schedule 8)	16,917	22,168	16,352
Governance and Institutions of Governance (Schedule 9)	327,532	331,290	96,683
Health (Schedule 10)	1,525,993	1,616,956	1,689,159
CMHC Housing (Schedule 11)	-	269,215	241,479
Other Band Programs (Schedule 12)	2,062,000	1,759,574	2,894,558
Amortization (Schedule 13)	-	1,358,020	1,850,172
	18,349,590	20,787,577	21,099,443

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Current surplus (deficit) before unexpended transfers	101,916	(275,896)	1,471,014
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(441,640)	(317,835)
Current surplus (deficit)	\$ 101,916	\$ (717,536)	\$ 1,153,179

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, 2019

	2019	2018 Restated
Surplus at beginning of year	\$ 44,529,986	\$ 43,376,807
Current surplus (deficit)	(717,536)	1,153,179
Surplus at end of year	\$ 43,812,450	\$ 44,529,986

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, 2019

	2019 Budget	2019 Actual	2018 Restated
Current surplus (deficit)	\$ 101,916	\$ (717,536)	\$ 1,153,179
Acquisition of tangible capital assets	-	(623,792)	(1,773,564)
Amortization of tangible capital assets	-	1,358,020	1,850,172
Disposal of capital assets	-	-	(16,574)
	-	734,228	60,034
Increase in net financial assets	101,916	16,692	1,213,213
Net financial assets at beginning of year	19,578,374	19,578,374	18,365,161
Net financial assets at end of year	\$ 19,680,290	\$ 19,595,066	\$ 19,578,374

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, 2019

	2019	2018 Restated
Cash flows from		
Operating activities		
Current surplus (deficit)	\$ (717,536)	\$ 1,153,179
Loss (earnings) from investment in business partnerships	627,744	(1,458,845)
Loss (earnings) from investment in incorporated businesses	3,563	5,218
Amortization	1,358,020	1,850,172
Disposal of capital assets	-	(16,574)
	1,271,791	1,533,150
Change in non-cash operating working capital		
Accounts receivable	(326,009)	(204,466)
Accounts payable	447,949	(1,693,405)
Deferred revenue - unexpended funds - ISC	192,881	168,510
Deferred revenue - unexpended funds - non ISC	(69,076)	(328,606)
Deferred revenue	4,759,186	1,363,038
Restricted cash - CMHC	241,230	(97,721)
Trust funds held by federal government	(6,202)	(2,163)
	6,511,750	738,337
Capital activities		
Purchases of tangible capital assets	(623,786)	(1,773,567)
Financing activities		
Due from Black Lake Ventures LP	212,409	(242,975)
Advances of long-term debt	-	4,087,000
Repayment of long-term debt	(612,318)	(3,334,075)
Mortgage advances - CMHC	487,500	-
Principle repayment of mortgages - CMHC	(257,114)	1,227,558
	(169,523)	1,737,508
Investing activities		
Contributions to business partnerships	-	(1,092,893)
Withdrawals from business partnerships	33,000	1,302,035
Contributions to incorporated business entities	(1,500)	(4,500)
	31,500	204,642
Increase in cash and cash equivalents	5,749,941	906,920
Cash and cash equivalents, beginning of year	3,059,636	2,152,716
Cash and cash equivalents, end of year	\$ 8,809,577	\$ 3,059,636
Represented by		
Cash	\$ (159,814)	\$ (727,094)
Restricted cash - capital projects	8,969,391	3,786,730
	\$ 8,809,577	\$ 3,059,636

The accompanying notes are an integral part of the financial statements

Black Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2019

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 Yuthe Dene Sekwi Chu L A Koe Betsedi Inc. (Athabasca Denesuline Child and Family Services Inc. "ADCFS"). ADCFS is an organization of three Nations. The mandate of ADCFS 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, 2019.

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.

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, 2019

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.

	2019	2018
Unrestricted cash		
CMHC operations	\$ 15,066	\$ 85,694
General operations	(120,381)	(535,174)
Social development	(59,474)	(282,587)
Health operations	4,975	4,973
	<u>(159,814)</u>	<u>(727,094)</u>
Restricted cash - capital projects		
Stage 2 Sub-division	99,369	98,202
WTP Project Expansion & Upgrade Sub-division	8,159,687	3,096,948
FNB Housing	42,043	416,921
Lawyers' trust account	174,805	174,659
Housing	493,487	-
	<u>8,969,391</u>	<u>3,786,730</u>
Restricted cash - CMHC		
CMHC Operating Reserve	263,486	345,015
GIC - First Nations Bank - 0.10% - matures May 30, 2019	203,306	203,103
GIC - First Nations Bank - 0.10% - matures February 8, 2020	41,149	201,053
	<u>507,941</u>	<u>749,171</u>
Restricted cash - funds held in trust by the federal government		
Capital funds	2,194	2,194
Revenue funds	171,118	164,916
	<u>173,312</u>	<u>167,110</u>
	<u>\$ 9,490,830</u>	<u>\$ 3,975,917</u>

Black Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2019

4. Trust funds held by federal government

	2019 Revenue	2019 Capital	2019 Total	2018 Total
Surplus, beginning of year	\$ 164,917	\$ 2,193	\$ 167,110	\$ 163,301
Interest earnings	5,791	-	5,791	3,398
Other	411	-	411	411
Surplus, end of year	\$ 171,119	\$ 2,193	\$ 173,312	\$ 167,110

5. Due from Black Lake Ventures LP

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

Amounts due from related parties are unsecured, non-interest bearing and have no fixed repayment schedules.

6. Accounts receivable

	2019	2018
Due from members		
Advances	\$ 184,781	\$ 187,864
Social development clients	63,814	76,053
	248,595	263,917
Due from others		
Athabasca Health Authority	192,188	117,040
Prince Albert Grand Council	489,616	283,581
Other	249,913	122,687
	931,717	523,308
Due from government and other government organizations		
Indigenous Services Canada (ISC)	432,286	570,017
CMHC subsidy	88,372	28,309
	520,658	598,326
	1,700,970	1,385,551
Allowance for doubtful accounts	(227,525)	(238,115)
Total accounts receivable	\$ 1,473,445	\$ 1,147,436

Black Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2019

7. Accounts receivable - ISC

	2019	2018
Service Delivery	\$ -	\$ 71,904
Tuition	182,504	108,190
Tuition 17/18 reconciliation	-	60,196
Band Employee Benefits - Statutory	22,871	-
Band Employee Benefits - 17/18 reconciliation	-	82,900
Institutional Care	2,956	-
Basic Needs	100,337	34,088
Basic Needs 17/18 reconciliation	-	65,758
Special Needs	-	49,006
Band Based Capital	108,518	-
CORP Business planning A&L Building	-	30,168
C/F 16/17 - Planning Design & Construction	-	67,807
P & ID - consultation & policy development	15,100	-
Total	\$ 432,286	\$ 570,017

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.

	2019	2018
Black Lake Ventures Ltd. - 100%	\$ 768	\$ 831
Black Lake Ventures LP - 99.99%	26,877,238	27,539,063
Elizabeth Falls Hydro Corporation - 100%	(53)	(53)
Elizabeth Falls Hydro LP - 99.99%	25,577	24,496
Black Lake Development Corporation - 100%	241,398	243,398
	\$ 27,144,928	\$ 27,807,735

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

	Investment, start of year	Contributions	Withdrawals	Share of earnings (loss)	Investment, end of year
Black Lake Development Corporation	\$ 243,398	\$ -	\$ -	\$ (2,000)	\$ 241,398
Black Lake Ventures Ltd	831	1,500	-	(1,563)	768
Black Lake Ventures LP	27,539,063	-	(33,000)	(628,825)	26,877,238
Elizabeth Falls Hydro Corporation	(53)	-	-	-	(53)
Elizabeth Falls Hydro LP	24,496	-	-	1,081	25,577
	<u>\$ 27,807,735</u>	<u>\$ 1,500</u>	<u>\$ (33,000)</u>	<u>\$ (631,307)</u>	<u>\$ 27,144,928</u>

In the previous year the investments in Waterfound Development LP and Waterfound Development Corp, were transferred to Black Lake Ventures LP. The amount of the investment transferred was \$1,091,021 in Waterfound Development LP and and \$1,872 in Waterfound Development Corp and these amounts have been recorded as a contribution to Black Lake Ventures LP.

9. Investment in government business enterprises

	Black Lake Ventures LP & Ltd Mar 31, 2019	Elizabeth Falls Hydro LP & Corporation Mar 31, 2019	Black Lake Development Corporation Mar 31, 2019	2019 Total	2018 Total
Cash	\$ 755,887	\$ 18,099	\$ -	\$ 773,986	\$ 553,579
Accounts receivable	118,340	10,102	-	128,442	25,957
Prepaid expenses	5,948	2,403	-	8,351	20,312
Tangible capital assets	2,094,740	-	-	2,094,740	2,225,814
Due from related parties	-	-	243,398	243,398	245,398
Investments	26,116,740	(53)	-	26,116,687	27,170,242
Total assets	<u>\$ 29,091,655</u>	<u>\$ 30,551</u>	<u>\$ 243,398</u>	<u>\$ 29,365,604</u>	<u>\$ 30,241,302</u>
Accounts payable	\$ 77,963	\$ 5,077	\$ 2,000	\$ 85,040	\$ 224,637
Deferred revenue	-	-	-	-	25,333
Long-term debt	1,859,455	-	-	1,859,455	1,692,945
Due to related parties	273,963	-	-	273,963	488,372
Total liabilities	<u>2,211,381</u>	<u>5,077</u>	<u>2,000</u>	<u>2,218,458</u>	<u>2,431,287</u>
Equity	<u>26,880,274</u>	<u>25,474</u>	<u>241,398</u>	<u>27,147,146</u>	<u>27,810,015</u>
Total liabilities and equity	<u>\$ 29,091,655</u>	<u>\$ 30,551</u>	<u>\$ 243,398</u>	<u>\$ 29,365,604</u>	<u>\$ 30,241,302</u>

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

	Black Lake Ventures LP & Ltd. Mar 31, 2019	Elizabeth Falls Hydro LP & Corporation Mar 31, 2019	Black Lake Development Corporation Mar 31, 2019	2019 Total	2018 Total
Revenue	\$ 613,227	\$ 30,462	\$ -	\$ 643,689	\$ 592,153
Distributions received	516,000	-	-	516,000	498,500
Equity increase(decrease)	(1,053,554)	-	-	(1,053,554)	1,004,330
	75,673	30,462	-	106,135	2,094,983
Expenses	706,124	29,381	2,000	737,505	639,348
Net income	\$ (630,451)	\$ 1,081	\$ (2,000)	\$ (631,370)	\$ 1,455,635

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.

10. Portfolio investments

	2019	2018
CanAlaska Uranium Ltd	\$ 4,250	\$ 4,250

11. Bank indebtedness

The First Nation has an operating line of credit with First Nations Bank authorized to \$250,000 (2018 - \$250,000) for all accounts of the First Nation and bears interest at prime plus 1.5%. On March 31, 2019 the First Nation had issued cheques in excess of deposits totaling \$162,371 (2018 - \$729,676).

Black Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2019

12. Accounts payable

	2019	2018
Due to members		
Accrued wages	\$ 144,013	\$ 157,578
Social development	43,690	-
	<hr/> 187,703	<hr/> 157,578
Due to others		
SunLife - pension	51,562	58,435
Prince Albert Grand Council	-	90,589
Woodland - new housing units	-	180,000
Great West Life - group insurance	6,861	-
Trade payables	1,210,602	508,510
CMHC payables	18,477	29,043
Accrued interest on long term debt	19,121	20,448
	<hr/> 1,306,623	<hr/> 887,025
Due to government and other government organizations		
Canada Revenue Agency	5,361	3,062
Indigenous Services Canada (ISC)	-	4,067
	<hr/> 5,361	<hr/> 7,129
	<hr/> <hr/> \$ 1,499,687	<hr/> <hr/> \$ 1,051,732

Black Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2019

13. Deferred revenue - unexpended funds - ISC

Indigenous Services Canada (ISC) 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 ISC, deferred to the following year, or transferred to another ISC 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 - ISC" on the financial statements.

	2019	2018
Consultation and policy development	\$ -	\$ 47,849
Skills Link	87,110	16,673
Post secondary	269,108	181,600
Special needs	-	2,637
Summer work experience	5,686	-
BEB non statutory	11,122	-
Instructional services	52,905	-
Jordan's Principle - education	6,078	-
Service delivery	4,140	-
Jordan's Principle - social	5,491	-
	<u>\$ 441,640</u>	<u>\$ 248,759</u>

14. Deferred revenue - unexpended funds - non ISC

	2019	2018
IBA - Community signs	\$ -	\$ 21,619
IBA - Home efficiency	-	47,457
	<u>\$ -</u>	<u>\$ 69,076</u>

Black Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2019

15. Deferred revenue

	March 31, 2018	Funding received, 2019	Revenue recognized, 2019	March 31, 2019
Federal government				
Raw water in-take	\$ 24,276	\$ -	\$ (24,276)	\$ -
Sub-division	110,147	1,168	-	111,315
Water treatment plant	3,132,348	5,291,775	(177,500)	8,246,623
Immediate needs - multi-plex	357,867	-	(357,867)	-
Immediate needs - renovation	50,000	-	(50,000)	-
	3,674,638	5,292,943	(609,643)	8,357,938
Other				
Daycare	-	186,802	(110,916)	75,886
	\$ 3,674,638	\$ 5,479,745	\$ (720,559)	\$ 8,433,824

16. Long-term debt

	2019	2018
First Nations Bank of Canada - housing project - 10 units. Demand interim loan, approved to a maximum of \$1,275,000. Annual principal payments of \$200,000 and monthly interest payments at 5.95%, secured by assignment of ISC funding, BCR and general security agreement.	\$ -	\$ 75,688
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.	436,527	462,277
First Nations Bank of Canada - debt consolidation. Term loan, quarterly principal payments of \$127,720, monthly interest payments at prime plus 2.0% (March 31, 2019 - 5.95%), secured by assignment of ISC funding, First Nations Trust funding, BCR and general security agreement, due July 2025.	3,320,680	3,831,560
	3,757,207	4,369,525
Current portion	538,037	612,123
	\$ 3,219,170	\$ 3,757,402

Black Lake Denesuline Nation
Notes to Consolidated Financial Statements
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16. Long-term debt, continued

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

2020	\$ 538,037
2021	539,726
2022	541,600
2023	543,659
2024 and thereafter	1,594,185

\$ 3,757,207

	2019	2018
Interest expense for the year on long-term debt	\$ 228,013	\$ 207,513

17. CMHC mortgages

	Phase number	Renewal date	Interest rate	Monthly payment	2019	2018
CMHC	1	2021-04-01	1.11%	\$ 1,919	\$ 153,273	\$ 174,477
CMHC	2	2021-12-01	1.31%	4,083	334,989	379,290
CMHC	3	2019-05-01	1.67%	8,992	1,368,034	1,452,404
CMHC	4	2023-04-01	2.41%	5,411	704,619	752,211
CMHC	5	2022-12-01	1.97%	7,261	1,368,180	1,427,827
CMHC mortgage advance	6			-	487,500	-
					4,416,595	4,186,209
Less current portion					261,225	256,640
Total					\$ 4,155,370	\$ 3,929,569

18. Tangible capital assets

	Cost	Additions	Disposals/ Transfers	Accumulated amortization	2019 Net book value
Buildings	\$ 19,544,218	\$ -	\$ -	\$ 16,565,811	\$ 2,978,408
Automotive equipment	1,603,129	49,893	-	1,432,608	220,414
Computer equipment	104,708	9,972	-	107,396	7,283
Furniture & equipment	66,838	22,754	-	44,654	44,938
Equipment	505,752	5,800	-	332,599	178,953
Infrastructure	15,614,638	-	-	3,634,668	11,979,969
Housing	19,495,193	-	-	12,998,379	6,496,814
Assets under construction	1,775,232	535,367	-	-	2,310,599
	\$ 58,709,708	\$ 623,786	\$ -	\$ 35,116,115	\$ 24,217,378

Black Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2019

18. Tangible capital assets, continued

	Cost	Additions	Disposals/ Transfers	Accumulated amortization	2018 Net book value
Buildings	\$ 19,544,218	\$ -	\$ -	\$ 16,312,366	\$ 3,231,853
Automotive equipment	1,344,105	292,173	33,149	1,350,422	252,707
Computer equipment	98,551	6,157	-	100,976	3,732
Furniture and equipment	66,838	-	-	26,735	40,103
Equipment	502,762	2,990	-	279,732	226,020
Infrastructure	15,614,638	-	-	3,241,867	12,372,771
Housing	17,330,598	2,164,595	-	12,445,996	7,049,197
Assets under construction	2,434,430	1,458,128	2,117,326	-	1,775,232
	<u>\$ 56,936,140</u>	<u>\$ 3,924,043</u>	<u>\$ 2,150,475</u>	<u>\$ 33,758,094</u>	<u>\$ 24,951,615</u>

19. Accumulated surplus

	2019	2018 Restated
Restricted		
Capital assets	\$ 18,192,207	\$ 18,810,598
Investments in related business entities	27,144,928	27,807,735
Trust funds held by federal government	173,312	167,110
CMHC reserves	922,262	846,720
	46,432,709	47,632,163
Unrestricted		
Operating surplus (deficit)	(2,620,265)	(3,102,175)
	<u>\$ 43,812,444</u>	<u>\$ 44,529,988</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.

Black Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2019

20. Prior period adjustment

The comparative figures have been retroactively restated to correct for the equity pickup in Black Lake Ventures Ltd and Black Lake Ventures LP. This resulted in a decrease in equity pickup of \$80,491, a decrease in investments of \$80,491 and a decrease in surplus of \$80,491.

21. Indigenous Services Canada (ISC) reconciliation

	2019	2018
ISC revenue per agreement	\$ 18,005,355	\$ 14,292,957
Prior period revenue (recovery)		
Governance - P&ID	(1,342)	-
In Home Care	-	(4,933)
Institutional care	(11,205)	(6,036)
Basic needs	(65,758)	(144,076)
LEDSP	-	(2,704)
Band employee benefits	(82,900)	(17,179)
Current year receivable (payable)		
Band employee benefits	22,871	82,900
Basic needs	100,337	65,758
Institutional care	2,956	(12,568)
Tuition	(24,405)	60,196
	<u>\$ 17,945,909</u>	<u>\$ 14,314,315</u>

Black Lake Denesuline Nation
Notes to Consolidated Financial Statements
March 31, 2019

22. Government Transfers

	2019		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 11,996,195	\$ 5,949,714	\$ 17,945,909
Canada Mortgage and Housing Corporation	371,361	106,286	477,647
Total	12,367,556	6,056,000	18,423,556
Provincial government transfers	-	-	-
Total	\$ 12,367,556	\$ 6,056,000	\$ 18,423,556

	2018		
	Operating	Capital	Total
Federal government transfers			
Indigenous Services Canada (ISC)	\$ 10,641,797	\$ 3,672,518	\$ 14,314,315
Canada Mortgage and Housing Corporation	308,425	238,570	546,995
Total	10,950,222	3,911,088	14,861,310
Provincial government transfers	-	-	-
Total	\$ 10,950,222	\$ 3,911,088	\$ 14,861,310

23. CMHC reserves and restricted cash

It is a requirement of the CMHC operating agreements that subsidy surplus, operating and replacement reserves be established and monies be set aside in separate bank accounts. On March 31, 2019 the reserve accounts were underfunded by \$414,321 (2018 underfunded - \$97,550). The amount required to be set aside was \$922,262 and the amount in the reserve bank account was \$507,941. (The reserve amount of \$922,262 is not reported separately on these financial statements, but is included in equity).

24. Impact Benefit Agreement (IBA)

As of March 31, 2019 the First Nation received \$279,274 (2018 - \$724,950) from an impact benefit agreement (IBA) signed with Cameco and AREVA.

25. 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.

26. 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, 2019.

27. 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.

28. 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.

29. Budgeted figures

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

Black Lake Denesuline Nation
Notes to Consolidated Financial Statements
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30. 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) Black Lake First Nation is contingently liable for \$700,000 of a loan issued to the Athabasca Denesuline Child & Family Services Inc for the construction of the group home.
- d) 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, 2019 is \$18,766,210 (2018 - \$18,766,210). 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 2019	470,652	259,668	210,984	2,123,023	1,950,771	172,252
March 2018	240,918	204,163	36,755	1,559,838	2,006,325	(446,487)
March 2017	721,349	239,272	490,937	1,758,835	1,607,934	150,901

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.

31. Economic dependence

The First Nation receives a substantial amount of its funding from Indigenous Services Canada ("ISC") as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the 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

	2019 Budget	2019 Actual	2018 Actual
Administration	\$ 556,750	\$ 566,601	\$ 525,314
Administration - program costs	50,000	58,700	58,047
Amortization	-	1,358,020	1,850,172
Assistance - social development	2,480,014	3,314,025	2,758,249
Assistance to band members	175,000	329,381	187,389
Bad debts	-	-	30,381
Band renovations	-	-	13,806
Bank charges and interest	80,000	69,081	101,770
Consultants and contractors	1,054,704	1,383,496	2,168,108
Contribution to Black Lake Ventures LP	-	-	1,092,894
Cultural programs	445,276	415,271	568,550
Elders support	-	7,650	41,040
Election expenses	35,000	32,520	36,100
Equipment	-	-	165
Equipment lease	41,500	36,016	41,096
Equipment purchases	-	49,893	-
Fire fighters competition	-	4,072	6,880
First Nation Trust expenses	-	6,990	24,278
Freight	25,000	25,192	47,611
Fuel	33,000	74,520	72,395
Headstart - FMM/ELCC	36,200	68,429	26,041
Honorariums	21,000	24,824	31,187
IBA expenses	600,000	678,372	655,874
Insurance	229,725	359,470	282,338
Long term debt - principle & interest payments	732,500	840,332	1,248,110
Long term debt - principle repayment	75,000	(612,319)	(1,040,597)
Loss on disposal of assets	-	-	6,649
Mortgage - payments principle & interest	-	331,399	266,732
Mortgage - principle repayment	-	(257,114)	(208,799)
NCBR program expenses	221,784	256,257	136,625
NLCDC project expenses	130,000	2,810	9,650
Other expenses	31,110	37,536	36,037
PAGC paid expenses directly	-	1,356	45,591
Post Secondary - administration	82,606	70,834	88,545
Post Secondary - student expenses	745,505	708,333	553,299
Professional fees	365,000	281,881	419,638
Program expenses	242,155	279,912	374,656
Recreation	-	41,743	17,160
Rent - office	12,000	12,000	12,000
Repairs and maintenance	932,820	1,219,715	672,661
Senior and youth programs	40,000	22,291	39,916
Student allowance	15,000	9,419	37,617
Student expenses	49,449	55,711	49,202
Student tuition	276,000	251,595	208,384
Supplies	753,670	867,678	843,773
Tazi Twe hydroelectric project	47,800	30,578	34,675

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

	2019 Budget	2019 Actual	2018 Actual
Telephone	98,800	84,959	103,334
Training	172,300	140,257	50,270
Travel, meetings, per diems	777,333	1,077,526	874,349
Utilities	414,234	500,265	470,894
Wages and benefits	6,231,355	6,235,459	6,526,363
Youth conference	40,000	35,216	61,152
Prior period unrecorded unexpended funds	-	23,211	-
Transfer to capital assets	-	(623,786)	(1,458,128)
	<u>\$ 18,349,590</u>	<u>\$ 20,787,577</u>	<u>\$ 21,099,443</u>

33. Segmented information

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

1) Indigenous Services Canada (ISC)

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 ISC'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.

33. 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.

Registration & Membership:

Costs associated with the maintenance of the membership list of the First Nation including new registrations. The registration clerk maintains 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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Treaty 8 Specific Claims	\$ -	\$ 616,510	\$ -
Expenses			
Consultants and contractors	-	29,096	-
Professional fees	-	-	3,966
Travel, meetings, per diems	-	278,328	-
Wages and benefits	-	14	-
	-	307,438	3,966
Current surplus (deficit)	\$ -	\$ 309,072	\$ (3,966)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 525,851	\$ 512,192	\$ 559,535
Indigenous Services Canada - flexible	683,518	5,946,714	3,672,518
CMHC - RRAP	-	13,631	198,570
CMHC - retrofit	87,750	92,655	-
CMHC - HASI	-	-	40,000
CMHC - OJTI	-	-	28,800
Insurance proceeds	-	499,578	-
Other revenue	300,000	282,626	185,130
Deferred revenue - prior period	407,867	3,674,638	2,311,600
Deferred revenue - current period	-	(8,357,938)	(3,674,638)
	2,004,986	2,664,096	3,321,515
Expenses			
Administration	33,921	33,921	34,105
Administration - program costs	50,000	58,700	58,047
Band renovations	-	-	13,806
Bank charges and interest	-	-	1,535
Consultants and contractors	402,867	661,546	1,602,886
Freight	-	-	1,020
Fuel	15,000	37,739	41,810
Insurance	160,000	201,482	163,268
Long term debt - principle & interest payments	-	200,000	774,158
Long term debt - principle repayment	75,000	(199,975)	(761,111)
Other expenses	31,110	37,536	36,037
Professional fees	-	2,000	93,998
Program expenses	-	-	100,000
Repairs and maintenance	882,820	1,047,883	536,408
Telephone	-	2,528	3,015
Training	-	320	-
Travel, meetings, per diems	-	5,950	19,689
Utilities	146,697	226,147	185,736
Wages and benefits	166,860	185,235	213,292
Transfer to capital assets	-	(535,367)	(1,458,128)
	1,964,275	1,965,645	1,659,571
Current surplus before transfers	40,711	698,451	1,661,944
Transfers			
Transfer - Amortization	-	(808,724)	(803,536)
Current surplus (deficit)	\$ 40,711	\$ (110,273)	\$ 858,408

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 50,000	\$ 50,000	\$ -
Prince Albert Grand Council	76,500	76,500	76,500
	126,500	126,500	76,500
Expenses			
Consultants and contractors	-	-	527
Tazi Twe hydroelectric project	-	798	-
Training	50,000	50,000	-
Wages and benefits	-	115	-
	50,000	50,913	527
Current surplus	\$ 76,500	\$ 75,587	\$ 75,973

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 5,459,131	\$ 5,474,484	\$ 4,896,328
Indigenous Services Canada - set	276,000	276,000	148,190
Indigenous Services Canada - flexible	6,078	6,078	16,780
ISC - current year receivable (payable)	-	(24,405)	60,196
Prince Albert Grand Council	1,383,320	1,457,334	1,386,189
Other revenue	-	-	11,431
Unexpended funds transferred - prior year	16,673	221,484	427,756
	7,141,202	7,410,975	6,946,870
Expenses			
Administration	464,109	454,093	373,551
Consultants and contractors	-	-	2,149
Child nutrition	31,000	31,793	30,184
Cultural programs	280,276	214,377	240,872
Elders support	-	-	23,195
Equipment lease	34,000	28,462	33,714
Freight	20,000	19,705	33,332
Fuel	10,000	17,289	16,251
Honorariums	-	8,504	3,756
Insurance	25,725	26,919	24,132
Long term debt - principle & interest payments	52,500	52,343	52,654
Long term debt - principle repayment	-	(25,751)	(24,046)
Post Secondary - administration	82,606	70,834	88,545
Post Secondary - student expenses	745,505	708,333	553,299
Professional fees	50,000	48,829	53,138
Program expenses	6,078	8,937	19,787
Repairs and maintenance	50,000	75,177	51,505
Senior and youth programs	40,000	22,291	39,916
Student allowance	15,000	9,419	37,617
Student expenses	49,449	55,711	49,202
Student tuition	276,000	251,595	208,384
Supplies	350,670	328,125	425,772
Telephone	15,000	18,091	15,230
Training	60,000	32,169	1,300
Transfer to capital assets	-	(2,306)	-
Travel, meetings, per diems	55,000	69,573	142,884
Utilities	226,037	226,284	234,744
Wages and benefits	4,202,247	4,251,543	4,290,484
	7,141,202	7,002,339	7,021,551
Current surplus (deficit) before unexpended transfers	-	408,636	(74,681)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(420,887)	(198,273)
Current deficit before transfers	-	(12,251)	(272,954)
Transfers			
Transfer - Amortization	-	(131,936)	(656,035)
Current deficit	\$ -	\$ (144,187)	\$ (928,989)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - grant	\$ 1,099,739	\$ 1,085,262	\$ 1,099,739
Indigenous Services Canada - fixed	44,705	76,854	49,673
Indigenous Services Canada - set	239,635	239,635	156,735
ISC - current year receivable (payable)	-	22,871	82,900
Other revenue	-	-	36
	1,384,079	1,424,622	1,389,083
Expenses			
Bank charges and interest	50,000	32,828	68,641
Consultants and contractors	80,000	132,397	80,532
Election expenses	35,000	32,520	36,100
Equipment	-	-	165
Equipment lease	7,500	7,554	7,382
Fuel	-	10,806	5,831
Honorariums	5,000	3,350	-
Insurance	24,500	24,619	2,669
Professional fees	120,000	65,943	121,253
Supplies	125,000	195,184	125,518
Telephone	49,000	37,166	46,973
Training	10,000	3,750	17,032
Travel, meetings, per diems	480,000	437,511	480,496
Wages and benefits	862,374	870,548	933,475
Transfer to capital assets	-	(4,332)	-
	1,848,374	1,849,844	1,926,067
Current deficit before unexpended transfers	(464,295)	(425,222)	(536,984)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(11,122)	-
Current deficit before transfers	(464,295)	(436,344)	(536,984)
Transfers			
Transfer - Other Band Programs	-	435,049	487,570
Transfer - Amortization	-	(6,173)	(5,559)
Current deficit	\$ (464,295)	\$ (7,468)	\$ (54,973)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 320,777	\$ 320,777	\$ 100,168
Indigenous Services Canada - flexible	-	-	135,000
ISC - prior period revenue (recovery)	-	-	(2,704)
	<u>320,777</u>	<u>320,777</u>	<u>232,464</u>
Expenses			
Consultants and contractors	205,677	238,225	123,236
Professional fees	-	-	62,821
Supplies	-	40	1,015
Tazi Twe hydroelectric project	47,800	29,780	34,675
Training	47,300	33,193	10,798
Travel, meetings, per diems	20,000	17,035	19,980
Wages and benefits	-	3,598	-
	<u>320,777</u>	<u>321,871</u>	<u>252,525</u>
Current deficit	<u>\$ -</u>	<u>\$ (1,094)</u>	<u>\$ (20,061)</u>

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 205,565	\$ 205,566	\$ 158,352
Indigenous Services Canada - set	56,160	56,160	80,795
Indigenous Services Canada - flexible	2,830,795	3,310,375	3,075,872
ISC - prior period revenue (recovery)	-	(11,205)	(149,009)
ISC - current year receivable (payable)	-	103,293	64,395
Unexpended funds transferred - prior year	-	2,637	-
	3,092,520	3,666,826	3,230,405
Expenses			
Administration	55,085	28,331	52,337
Assistance - basic needs	2,296,409	3,072,988	2,554,246
Assistance - special needs	183,605	241,037	204,002
Bank charges and interest	30,000	34,130	30,325
Consultants and contractors	71,160	84,493	85,858
Cultural programs	50,000	51,951	229,567
Insurance	-	-	258
NCBR - community based support	-	691	52,379
NCBR - home to work transition	190,784	223,774	54,062
Program expenses	5,491	-	-
Supplies	18,500	12,992	24,470
Telephone	1,200	1,665	664
Travel, meetings, per diems	15,000	23,325	13,698
Wages and benefits	175,286	156,926	144,967
	3,092,520	3,932,303	3,446,833
Current deficit before unexpended transfers	-	(265,477)	(216,428)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	(9,631)	(2,637)
Current deficit	\$ -	\$ (275,108)	\$ (219,065)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 16,917	\$ 16,917	\$ 16,352
Expenses			
Administration	-	-	1,635
Travel, meetings, per diems	-	2,900	-
Wages and benefits	16,917	19,268	14,717
	16,917	22,168	16,352
Current deficit	\$ -	\$ (5,251)	\$ -

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Indigenous Services Canada - fixed	\$ 279,683	\$ 279,683	\$ 92,500
ISC - prior period revenue (recovery)	-	(1,342)	-
Unexpended funds transferred - prior year	47,849	47,849	50,175
	327,532	326,190	142,675
Expenses			
Administration	3,635	3,635	8,500
Consultants and contractors	55,000	52,648	8,363
Cultural programs	15,000	30,880	14,461
Professional fees	145,000	141,896	9,357
Supplies	20,000	25,630	4,453
Training	-	-	2,700
Travel, meetings, per diems	68,333	68,240	26,450
Wages and benefits	20,564	14,305	22,399
Transfer to capital assets	-	(5,943)	-
	327,532	331,291	96,683
Current surplus (deficit) before unexpended transfers	-	(5,101)	45,992
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	-	(47,849)
Current deficit	\$ -	\$ (5,101)	\$ (1,857)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Athabasca Health Authority	\$ 1,262,211	\$ 1,251,704	\$ 1,231,611
AHA - prior period revenue (recovery)	-	41,470	16,331
Prince Albert Grand Council	263,782	380,477	226,865
Other revenue	-	13,400	107,711
Deferred revenue - current period	-	(75,886)	-
	1,525,993	1,611,165	1,582,518
Expenses			
Consultants and contractors	165,000	151,401	153,358
Cultural programs	-	1,809	-
Elders support	-	7,650	17,845
Freight	5,000	3,142	5,030
Fuel	8,000	8,685	8,503
Headstart - FMM/ELCC	36,200	68,429	26,041
Honorariums	16,000	12,970	27,431
Insurance	19,500	18,360	19,623
Professional fees	10,000	10,000	1,057
Program expenses	230,586	270,975	254,869
Rent - office	12,000	12,000	12,000
Repairs and maintenance - other	-	3,200	6,872
Supplies - materials	139,500	198,133	155,287
Telephone	33,600	25,510	37,453
Training	5,000	20,825	18,439
Travel, meetings, per diems	64,000	70,580	100,296
Utilities	41,500	43,385	42,165
Wages and benefits	700,107	654,687	741,739
Youth conference	40,000	35,216	61,152
Equipment purchases	-	49,893	-
Transfer to capital assets	-	(49,893)	-
	1,525,993	1,616,957	1,689,160
Current deficit before transfers	-	(5,792)	(106,642)
Transfers			
Transfer - amortization	-	(16,631)	-
Current surplus (deficit)	\$ -	\$ (22,423)	\$ 1,581,587

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
CMHC - subsidy	\$ -	\$ 371,361	\$ 279,625
Rental revenue - CMHC houses	-	47,366	56,072
Other revenue	-	299	2,212
	-	419,026	337,909
Expenses			
Administration	-	44,867	45,703
Bank charges and interest	-	2,002	1,164
Insurance	-	88,090	71,154
Mortgage - payments principle & interest	-	331,399	266,732
Mortgage - principle repayment	-	(257,114)	(208,799)
Professional fees	-	12,312	12,312
Repairs and maintenance - houses	-	47,659	53,213
	-	269,215	241,479
Current surplus before transfers	-	149,811	96,430
Transfers			
Transfer - Amortization	-	(340,093)	(340,093)
Current deficit	\$ -	\$ (190,282)	\$ (243,663)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Athabasca Health Authority	\$ -	\$ 12,000	\$ 12,000
Prince Albert Grand Council	81,000	98,014	217,583
Impact Benefit Agreement (Note 24)	600,000	279,274	724,950
First Nations Trust	680,000	683,235	676,626
Funds earned & held in trust by federal government	-	6,202	2,163
Northern Lights Community Development Corporation	130,000	122,240	139,889
Black Lake Ventures LP	-	38,000	80,013
Waterfound LP	-	-	66,000
Equity pickup (losses) - related business entities	-	(662,807)	2,472,869
North West Company - rebates	45,000	47,122	44,415
Northern Lights School Division	-	60,000	2,412
Loss on transfer of investment - Waterfound	-	-	(131,000)
Rental revenue	50,000	51,175	50,825
Other revenue	400,000	469,036	410,112
Administration fees - internal allocation	525,000	576,740	525,313
Unexpended funds transferred - prior year	-	69,076	-
Write down of payables	-	58,768	-
	2,511,000	1,908,075	5,294,170
Expenses			
Administration	-	1,754	9,483
Assistance to band members	175,000	329,381	187,389
Bad debts	-	-	30,381
Bank charges and interest	-	121	106
Consultants and contractors	75,000	33,691	111,199
Contribution to Black Lake Ventures LP	-	-	1,092,894
Cultural programs	100,000	116,253	83,650
Fire fighters competition	-	4,072	6,880
First Nation Trust expenses	-	6,990	24,278
Freight	-	2,345	8,229
IBA expenses	600,000	678,372	655,874
Insurance	-	-	1,234
Long term debt - principle & interest payments	680,000	587,988	421,298
Long term debt - principle repayment	-	(386,593)	(255,440)
Loss on disposal of assets	-	-	6,649
NLCDC project expenses	130,000	2,810	9,650
PAGC paid expenses directly	-	1,356	45,591
Prior period unrecorded unexpended funds	-	23,211	-
Professional fees	40,000	900	61,736
Recreation	-	41,743	17,160
Repairs and maintenance	-	45,795	24,662

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Supplies	100,000	107,575	107,258
Travel, meetings, per diems	75,000	104,084	70,856
Utilities	-	4,450	8,250
Wages and benefits	87,000	79,221	165,290
Transfer to capital assets	-	(25,944)	-
	2,062,000	1,759,575	2,894,557
Current surplus before unexpended transfers	449,000	148,500	2,399,613
Unexpended transfers			
Unexpended funds transferred to deferred revenue	-	-	(69,076)
Current surplus before transfers	449,000	148,500	2,330,537
Transfers			
Transfer - Indian Government Support	-	(435,049)	(487,570)
Transfer - Amortization	-	(54,463)	(44,949)
Current surplus (deficit)	\$ 449,000	\$ (341,012)	\$ 1,798,018

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, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue	\$ -	\$ -	\$ -
Expenses (amortization)			
Band Based Capital	-	176,447	176,447
Band Support Funding	-	6,173	5,559
Bussing	-	-	6,210
CMHC Section 95	-	340,093	340,093
Community Buildings	-	231,145	225,957
Fire Protection	-	8,331	8,330
Other Band programs	-	54,463	44,949
Sanitation	-	261,603	261,604
School Maintenance	-	94,198	612,856
Teacherage Maintenance	-	36,969	36,969
Water System	-	131,198	131,198
Classroom Instruction	-	769	-
Aboriginal Headstart	-	16,631	-
	-	1,358,020	1,850,172
Current deficit before transfers	-	(1,358,020)	(1,850,172)
Transfers			
Transfer - Programs	-	1,358,020	1,850,172
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements