



Buffalo River Dene Nation
Consolidated Financial Statements
March 31, 2017



Buffalo River Dene Nation

Contents

For the year ended March 31, 2017

Page

Management's Responsibility

Independent Auditors' Report

Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Debt.....	3
Consolidated Statement of Cash Flows.....	4

Notes to the Consolidated Financial Statements.....	5
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Schedules

Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	18
Schedule 2 - Schedule of Consolidated Expenses by Object.....	19
Schedule 3 - Segment Revenues and Expenses and Surplus (Deficit) - Administration.....	20
Schedule 4 - Segment Revenues and Expenses and Surplus (Deficit) - Community Infrastructure.....	21
Schedule 5 - Segment Revenues and Expenses and Surplus (Deficit) - Education.....	22
Schedule 6 - Segment Revenues and Expenses and Surplus (Deficit) - Health.....	23
Schedule 7 - Segment Revenues and Expenses and Surplus (Deficit) - Capital.....	24
Schedule 8 - Segment Revenues and Expenses and Surplus (Deficit) - Other Programs.....	25
Schedule 9 - Segment Revenues and Expenses and Surplus (Deficit) - Social Development.....	26

Management's Responsibility



To the Members of Buffalo River Dene Nation:

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

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

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

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

July 27, 2017

Signed By: Collin Catarat

Management

Independent Auditors' Report

To the Members of Buffalo River Dene Nation:

We have audited the accompanying consolidated financial statements of Buffalo River Dene Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, change in net debt, 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 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 entity'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 entity'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 Buffalo River Dene Nation as at March 31, 2017 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Restated Comparative Information

Without modifying our opinion we draw attention to Note 20 to the consolidated financial statements, which explains that certain comparative information for the year ended March 31, 2016 has been restated. The consolidated financial statements for Buffalo River Dene Nation for the year ended March 31, 2016 (prior to the restatement of the comparative information) were reported on by another professional accountant who expressed an unqualified audit opinion on those financial statements on September 15, 2016.

Saskatoon, Saskatchewan

July 27, 2017

MNP LLP

Chartered Professional Accountants



Buffalo River Dene Nation

Consolidated Statement of Financial Position

As at March 31, 2017

	2017	2016 (Restated - Note 20)
Financial assets		
Current		
Cash and cash equivalents	81,281	33,777
Accounts receivable (Note 3)	256,777	116,982
Restricted cash (Note 4)	235,816	142,523
	573,874	293,282
Portfolio investments (Note 5)	8,342	8,342
Advances to Buffalo River Mini Mart & Gas Bar Inc. (Note 6)	254,951	400,000
Investments in Nation business entities (Note 7)	686,762	702,994
Funds held in trust (Note 8)	59,703	58,006
Restricted cash (Note 4)	257,733	458,653
Total financial assets	1,841,365	1,921,277
Liabilities		
Current		
Bank indebtedness (Note 9)	1,036,295	552,099
Accounts payable and accruals	635,070	350,625
Deferred revenue (Note 10)	376,482	350,456
Current portion of long-term debt (Note 11)	686,112	611,293
Current portion of capital lease obligations (Note 12)	62,384	-
	2,796,343	1,864,473
Long-term debt (Note 11)	3,392,067	3,199,554
Capital lease obligations (Note 12)	255,168	-
Total financial liabilities	6,443,578	5,064,027
Net debt	(4,602,213)	(3,142,750)
Non-financial assets		
Tangible capital assets (Note 13)	16,543,150	15,279,054
Prepaid expenses	-	12,009
Total non-financial assets	16,543,150	15,291,063
Accumulated surplus (Note 14)	11,940,937	12,148,313

Approved by:

Signed By: Eileen Morrison

Chief

Signed By: Terrance Billette

Councillor

The accompanying notes are an integral part of these financial statements



Buffalo River Dene Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2017

	<i>Schedules</i>	2017 Budget (Note 17)	2017 Actual	2016 Actual (Restated - Note 20)
Revenues				
Indigenous and Northern Affairs Canada (Note 15)		4,239,640	6,182,649	5,497,372
MLTC Program Services Inc.		689,306	2,497,533	2,378,796
Meadow Lake Health & Social Development Authority Inc.		1,350,926	1,402,265	1,463,947
Meadow Lake Tribal Council CFS Inc.		231,245	231,245	147,309
Canada Mortgage and Housing Corporation		-	230,436	152,102
Health Canada		116,000	124,016	117,468
Miscellaneous		503,605	440,875	515,220
First Nations Trust		493,495	453,119	473,294
Rental income		83,455	153,849	270,636
Investment income		-	150,004	614,394
Expense recoveries		70,349	72,324	103,047
NCSRC		43,050	53,400	47,000
Government of Saskatchewan		163,135	42,970	-
Other revenue		-	144,020	-
Northern Lights Community Development Corporation		25,456	115,372	152,385
Earnings from investment in Nation business entities (Note 7)		400,000	21,226	47,854
User fees		22,000	11,608	21,756
		8,431,662	12,326,911	12,002,580
Program expenses				
Administration	3	1,204,374	1,498,754	1,330,765
Community Infrastructure	4	1,225,613	1,430,740	1,337,686
Education	5	2,727,381	3,314,530	3,169,561
Health	6	1,954,702	1,996,427	1,845,847
Capital	7	290,247	1,633,841	1,340,001
Other Programs	8	1,097,535	833,035	977,247
Social Development	9	140,080	1,826,960	2,014,859
		8,639,932	12,534,287	12,015,966
Deficit		(208,270)	(207,376)	(13,386)
Accumulated surplus, beginning of year		12,148,313	12,148,313	12,161,699
Accumulated surplus, end of year (Note 14)		11,940,043	11,940,937	12,148,313

The accompanying notes are an integral part of these financial statements



Buffalo River Dene Nation **Consolidated Statement of Change in Net Debt** *For the year ended March 31, 2017*

	2017 Budget (Note 17)	2017 Actual	2016 Actual (Restated - Note 20)
Annual deficit	(208,270)	(207,376)	(13,386)
Purchases of tangible capital assets	-	(1,872,279)	(1,527,044)
Purchase of assets under capital lease	-	(335,398)	-
Amortization of tangible capital assets	-	943,581	1,136,774
Acquisition of prepaid expenses	-	-	(12,009)
Use of prepaid expenses	-	12,009	-
Decrease in net debt	(208,270)	(1,459,463)	(415,665)
Net debt, beginning of year	(3,142,750)	(3,142,750)	(2,727,085)
Net debt, end of year	(3,351,020)	(4,602,213)	(3,142,750)



Buffalo River Dene Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2017

	2017	2016 (Restated - Note 20)
Cash provided by (used for) the following activities		
Operating activities		
Deficit	(207,376)	(13,386)
Non-cash items		
Amortization	943,581	1,136,774
Earnings (loss) from investment in Nation business entities	(21,226)	(47,854)
	714,979	1,075,534
Changes in working capital accounts		
Accounts receivable	(139,795)	105,636
Prepaid expenses	12,009	(12,009)
Restricted cash	107,627	226,305
Accounts payable and accruals	284,445	22,987
Deferred revenue	26,026	183,145
	1,005,291	1,601,598
Financing activities		
Advances of long-term debt	2,724,277	334,952
Repayment of long-term debt	(2,456,945)	(800,064)
Repayment of capital lease obligations	(17,846)	-
Increase in bank indebtedness (net)	484,196	277,870
	733,682	(187,242)
Capital activities		
Purchases of tangible capital assets	(1,872,279)	(1,527,044)
Investing activities		
Increase in funds held in trust	(1,697)	(602)
Distributions from investments in Nation business entities	37,458	147,067
Repayment of advances to related parties	145,049	-
	180,810	146,465
Increase in cash resources	47,504	33,777
Cash resources, beginning of year	33,777	-
Cash resources, end of year	81,281	33,777



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

1. Operations

The Buffalo River Dene Nation (the "Dene Nation") is located in the province of Saskatchewan, and provides various services to its Members. The Buffalo River Dene Nation financial reporting entity includes the Dene Nation's government and all related entities that are accountable to the Dene Nation and are either owned or controlled by the Dene Nation.

2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as set out in the CPA Canada Handbook - Public Sector Accounting as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Dene Nation reporting entity, except for Dene Nation business entities.

The Dene Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Buffalo River Dene Nation
- Buffalo River Dene Nation CMHC Housing Program

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

Buffalo River Dene Nation business entities, owned or controlled by the Dene Nation's Council but not dependent on the Dene Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Dene Nation. Thus, the Dene Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. The following entity is accounted for by the modified equity basis:

- Buffalo River Mini Mart & Gas Bar Inc. 100% interest

Other economic interests

The Dene Nation does not either 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 Buffalo River Dene Nation.

- The Dene Nation is a member of Meadow Lake Tribal Council. The Tribal Council is an organization of nine Nations.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

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



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

2. Significant accounting policies (Continued from previous page)

Portfolio investments

Portfolio investments which are owned by Buffalo River Dene Nation but not controlled or influenced by the Dene Nation are accounted for using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported on by the Government of Canada.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Dene Nation members by the Government of Canada consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Dene Nation tangible 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 money's are reported on by the

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	10-50 years
Equipment and furniture	straight-line	4-5 years
Infrastructure	straight-line	5-25 years
Equipment under capital lease	straight-line	4 years

Assets under construction are not amortized until they are put into use. Land is not amortized.

The Dene Nation holds original reserve land. This land is not recognized in the Dene Nation's consolidated financial statements.

Long-lived assets

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

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

Asset classification

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



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

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

Net debt

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

Revenue recognition

Non-government funding

Funding is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Government transfers

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

Other revenue

Rental revenues are recognized over the rental term. Other revenue is earned from services provided by the Dene Nation and is recognized when the service has been provided.

Segments

The Dene Nation conducts its business through 7 reportable segments:

- Administration - includes the administration and governance activities.
- Community Infrastructure - includes the operations and maintenance of the Dene Nation's buildings and infrastructure.
- Education - includes the operations of education programs.
- Health - includes the operations of health and community wellness programming.
- Capital - includes the operations and maintenance of all on reserve housing and capital construction.
- Social Development - includes all activities relating to income assistance for membership.
- Other Programs - includes all other band activities of the Dene Nation.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Inter program administration fees have been recorded based on a percentage of budgeted revenue, where permitted by the funder.

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



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

2. Significant accounting policies (Continued from previous page)

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Legal provisions are recorded when the likelihood of loss and amount of settlement can be determined.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Dene Nation is responsible for.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Dene 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 Dene 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 Dene Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

No liability has been recorded at March 31, 2017.

Recent accounting pronouncements

PS 3450 Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. In the period that a public sector entity applies PS 3450, it also applies PS 1201, PS 2601 and PS 3041. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The Dene Nation has not yet determined the effect of these new standards on its consolidated financial statements.

PS 2200 Related Party Disclosures

In March 2015, PSAB issued PS 2200 *Related Party Disclosures* and PS 3420 *Inter-entity Transactions*. These new Sections define related parties and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

The standards are effective for fiscal years beginning on or after April 1, 2017. The Dene Nation does not expect the adoption of these new standards to have a material impact on its financial statements.



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

2. Significant accounting policies (Continued from previous page)

PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights

In March 2015, PSAB issued the following new standards: PS 3210 *Assets*, PS 3320 *Contingent Assets* and PS 3380 *Contractual Rights*.

PS 3210 *Assets* provides additional guidance to clarify the definition of assets set out in PS 1000 *Financial Statement Concepts*.

PS 3320 *Contingent Assets* establishes disclosure standards on contingent assets. Under previous standards contingent assets could not be recognized.

PS 3380 *Contractual Rights* establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

The standards are effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Dene Nation has not yet determined the effect of these new standards on its consolidated financial statements.

3. Accounts receivable

	2017	2016 (Restated - Note 20)
Meadow Lake Tribal Council	93,460	3,835
Other	125,112	45,171
Employee advances	25,181	10,216
CMHC	13,024	46,054
Indigenous and Northern Affairs Canada	-	11,706
	256,777	116,982



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

4. Restricted cash

	2017	2016
Current:		
Capital projects bank	235,816	142,523
Long-term:		
CMHC replacement reserve bank	14,925	49,030
CMHC replacement reserve guaranteed investment certificate	232,400	232,168
CMHC operating reserve bank	10,408	177,455
	257,733	458,653
	493,549	601,176

5. Portfolio investments

	2017	2016 (Restated - Note 20)
Measured at cost:		
Mudjatik Enterprises Joint Venture	7,400	7,400
First Nations Bank	940	940
MLTC Resource Development Limited Partnership	1	1
MLTC Resource Development Inc.	1	1
	8,342	8,342

6. Advances to Buffalo River Mini Mart & Gas Bar Inc.

The advance bears no interest and has no fixed terms of repayment. Buffalo River Mini Mart & Gas Bar Inc. is a wholly owned business of Buffalo River Dene Nation.

7. Investments in Nation business entities

The Dene Nation has investments in the following entities:

	Opening (Restated - Note 20)	Share of earnings	Distributions	2017 Total investment
Buffalo River Mini Mart & Gas Bar	702,994	21,226	(37,458)	686,762

Continued on next page



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

7. Investments in Nation business entities (Continued from previous page)

Summary financial information for each Dene Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>Buffalo River Mini Mart & Gas Bar Inc. As at March 31, 2017</i>
Assets	
Cash	183,751
Guaranteed investment certificate	211,916
Trade and other receivables	115,095
Inventories	258,326
Prepaid expenses and deposits	11,225
Property, plant and equipment	323,451
Total assets	1,103,764
Liabilities	
Trade and other payables	162,051
Advances from related parties	254,951
Total liabilities	417,002
Total equity	686,762
Total revenue	4,213,696
Total expenses	4,192,470
Net loss	21,226

During the year, the Dene Nation purchased supplies from Buffalo River Mini Mart & Gas Bar at their exchange amount.

8. Funds held in trust

Capital and revenue trust monies are transferred to the Dene Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the Dene Nation's Council.

	2017	2016
Capital Trust		
Balance, beginning and end of year	31,881	31,881
Revenue Trust		
Balance, beginning of year	26,125	25,523
Interest	1,697	602
Balance, end of year	27,822	26,125
	59,703	58,006



Buffalo River Dene Nation **Notes to the Consolidated Financial Statements** *For the year ended March 31, 2017*

9. Bank indebtedness

Bank indebtedness is represented by bank balances less outstanding cheques. At March 31, 2017 the Dene Nation has a line of credit available of \$500,000 (2016 - \$100,000). At March 31, 2017, \$482,935 (2016 - \$64,920) had been drawn against the line of credit. The line of credit charges interest at bank prime plus 2.00% and is secured by redirection of INAC funding.

10. Deferred revenue

Deferred revenues represent the amount of funds received by the Dene Nation that relate to the future fiscal periods or that must be spent on certain projects that are incomplete at year-end.

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year (Restated - Note 20)</i>	<i>Amounts received</i>	<i>Amounts expended in current year</i>	<i>Balance, end of year</i>
INAC - Water Treatment Plant	289,640	350,000	546,817	92,823
INAC - Fire Truck	-	125,000	119,846	5,154
INAC - School Crawl Space	-	300,000	214,103	85,897
INAC - New Elementary School	-	75,000	18,688	56,312
INAC - School Controls	60,816	243,731	275,869	28,678
MLTC Program Services Inc. - CRIF	-	120,696	13,078	107,618
	350,456	1,214,427	1,188,401	376,482



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

11. Long-term debt

	2017	2016
First Nations Bank Consolidation Loan, interest at prime plus 2.4%, maturity date of April 2021 with interest paid monthly and principal of \$110,000 paid quarterly, secured by a general security agreement.	1,870,000	-
First Nations Bank Loan, to finance the purchase of equipment, interest at prime plus 2.00%, maturity date of January 2019 with interest paid monthly and principal of \$20,000 paid quarterly, secured by a general security agreement.	151,708	231,708
First Nations Bank Loan, to fund working capital, complete capital projects and fund reserve account, interest at prime plus 2.50%, maturity date of September 2017 with monthly payments of \$4,808 plus interest, secured by a general security agreement.	28,846	236,639
Royal Bank Loan, to finance the purchase of a vehicle, interest at 4.99%, maturity date of January 2018 with monthly payments of \$1,067 including interest.	11,465	23,374
Royal Bank Loan, to finance the purchase of a vehicle, interest at 5.35%, maturity date of January 2018 with monthly payments of \$656 including interest.	7,042	14,363
CMHC housing mortgage - Phase IV, interest at 1.05%, maturity date of May 2026, repayable in monthly principal and interest payments of \$1,576. Secured by a ministerial guarantee.	165,168	181,688
CMHC housing mortgage - Phase V, interest at 1.53%, maturity date of October 2027, repayable in monthly principal and interest payments of \$1,594. Secured by a ministerial guarantee.	186,870	203,025
CMHC housing mortgage - Phase VI, interest at 1.05%, maturity date of March 2030, repayable in monthly principal and interest payments of \$1,449. Secured by a ministerial guarantee.	211,289	226,386
CMHC housing mortgage - Phase VII, interest at 2.18%, maturity date of November 2028, repayable in monthly principal and interest payments of \$4,069. Secured by a ministerial guarantee.	502,742	540,235
CMHC housing mortgage - Phase VIII, interest at 1.23%, maturity date of May 2030, repayable in monthly principal and interest payments of \$3,042. Secured by a ministerial guarantee.	443,707	480,212
CMHC housing mortgage - Phase IX, no interest or principal payments required until full amount has been advanced. The fully advanced mortgage will be \$2,392,717.	499,342	-
First Nations Bank Loan, repaid during the year	-	1,490,717
First Nations Bank Loan, repaid during the year	-	120,000
First Nations Bank Loan, repaid during the year	-	62,500
	4,078,179	3,810,847
Less: current portion	686,112	611,293
	3,392,067	3,199,554



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

11. Long-term debt (Continued from previous page)

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

2018	686,112
2019	631,899
2020	562,046
2021	563,932
2022	205,317

Long-term debt is subject to certain financial covenants with respect to timely submission of the annual audited consolidated financial statements to their lender as well as other restrictions that may be in place. As at March 31, 2017, the Dene Nation is in compliance with all such covenants. It is management's opinion that the First Nation is likely to remain in compliance with all long-term debt covenants throughout the next twelve months subsequent to March 31, 2017.

12. Capital lease obligations

	2017	2016
National Leasing, for Grader purchased under capital lease, payable in equal monthly instalments of \$3,860 including interest at 6.20%, due April 2022, having a net book value of \$187,862	194,027	-
Mercado Capital Corporation, for Sanitation Truck purchased under capital lease, payable in equal monthly instalments of \$3,039 including interest at 8.39%, due March 2021, having a net book value of \$118,737	123,525	-
	317,552	-
Less: current portion	62,384	-
	255,168	-

Minimum lease payments related to the obligations under capital lease are as follows:

2018	62,384
2019	67,028
2020	71,995
2021	77,337
2022	38,808
	317,552
Less: current portion	62,384
	255,168



Buffalo River Dene Nation **Notes to the Consolidated Financial Statements** *For the year ended March 31, 2017*

13. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1. The Dene Nation has the following major capital projects in progress at March 31, 2017.

Project	Budget	Cumulative costs to March 31, 2017
WTP Upgrade (AT262)	7,786,200	894,377
School Crawl Space (AT284)	2,397,000	214,103
New Elementary School (AT319)	80,000	18,688
CMHC Phase IX	2,392,717	514,362

The Dene Nation holds works of art and historical treasures, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

14. Accumulated surplus

Accumulated surplus consists of the following:

	2017	2016 <i>(Restated - Note 20)</i>
Equity in Ottawa Trust Funds	59,703	58,006
Equity in investments	695,104	711,336
Equity in CMHC reserves	540,553	559,363
Equity in tangible capital assets	14,006,864	13,255,007
Operating deficit	(3,361,287)	(2,435,399)
	11,940,937	12,148,313

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

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



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

15. Reconciliation of funding from Indigenous and Northern Affairs Canada

Funding per INAC confirmation	6,106,057
Add:	
Prior year unearned funding relating to capital projects	350,456
Less:	
Current year unearned funding relating to capital projects	(273,864)
Funding reported per financial statements	6,182,649

16. Economic dependence

Buffalo River Dene Nation receives substantially all of its revenue 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 Dene Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties. The Dene Nation is also dependent on MLTC for funding in order to provide services to membership.

17. Budget information

The disclosed budget information was approved by the Chief and Council of Buffalo River Dene Nation at a meeting held on July 15, 2016.

In preparation of the annual budget of the Dene Nation management does not budget for purchases of capital assets, amortization, principal payments on debt and distributions from investments in Nation business entities.

The budget process followed by management only includes activities directed by the Dene Nation. Management does not prepare a budget for capital projects administered through third party project managers.

18. Canada Mortgage and Housing Corporation reserves

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established the following:

- The replacement reserve to ensure replacement of capital equipment and for major repairs to housing units, which requires an annual cash allocation of \$40,968 to the reserve. At March 31, 2017, the reserve is required to be funded to a level of \$447,937 (2016 - \$434,370). At March 31, 2017 the cash balance in the reserve is \$247,325 (2016 - \$279,198).
- An operating surplus reserve established for housing units under the Post 1997 Fixed Subsidy Program which requires surpluses to be funded with cash. Future operating losses are able to draw on the reserve funds to sustain operations. At March 31, 2017 the operating reserve is required to be funded to a level of \$92,616 (2016 - \$124,993). At March 31, 2017 the cash balance in the reserve is \$10,408 (2016 - \$177,455).

In accordance with terms of the agreement, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

19. Comparative figures

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



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

20. Correction of an error

During the year, the Dene Nation determined that the following corrections were required to prior years:

- Previously, the Dene Nation's investments in MLTC Resource Development Limited Partnership, MLTC Resource Development Inc., and Mudjatik Enterprises Joint Venture were classified as government business enterprises and recorded using the modified equity method of accounting. However, it has been determined that based on the Dene Nation's level of participation in these entities they should be accounted for as portfolio investments. The effect of the restatement to account for the above noted investments as portfolio investments has reduced the amount reported as investments by \$4,104,543 and increased the amount recorded as investment income by \$798,014 in 2016. Other adjustments affecting previously reported investments resulted in a decrease of \$164,170.
- There were accounts payable adjustments in 2016 that required restatement, resulting in a decrease in accounts payable of \$61,961 and an increase to income of \$61,961.
- Corrections were made with respect to the manner in which CMHC reserves were presented. The reserves, previously recorded as liabilities of \$458,653, are now presented as a component within accumulated surplus.
- Adjustments were also made to capital project expenditures for the water treatment plant and school control projects, to capitalize costs that were previously expensed. An adjustment to the 2016 financial statements was made to increase tangible capital assets by \$1,484,744 and increase income by \$1,484,744. There was no effect on the amount recorded as amortization expense in 2016 since these projects were under construction at year end and not in use.
- An adjustment was also made to amortization based on the rates being used, which resulted in a decrease to tangible capital assets of \$271,739, and increase in amortization expense of \$260,614, and an increase to opening surplus of \$11,125
- Other amounts previously recorded directly to accumulated surplus accounts that are now presented as revenues or expenses.

The effect on the 2016 financial statements as a result of these restatements were:

	Balance as previously stated	Adjustments	Restated balance
Statement of Financial Position			
Accounts receivable	105,276	11,706	116,982
Portfolio Investments	-	8,342	8,342
Investments	4,980,049	(4,277,055)	702,994
Tangible capital assets	14,066,049	1,213,005	15,279,054
Accounts payable and accruals	(412,586)	61,961	(350,625)
Deferred revenue	(439,333)	88,877	(350,456)
Funded reserves	(458,653)	458,653	-
Accumulated surplus, beginning of year	16,132,992	(3,971,297)	12,161,699
Accumulated surplus, end of year	14,582,825	(2,435,512)	12,148,313
Statement of Operations			
Total revenues	11,548,209	454,371	12,002,580
Expenses	(12,416,117)	400,151	(12,015,966)
Surplus	(867,908)	854,522	(13,386)



Buffalo River Dene Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Infrastructure</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Equipment under capital lease</i>	<i>Assets under construction</i>	<i>2017</i>	<i>2016</i>
							<i>(Restated - Note 20)</i>
Cost							
Balance, beginning of year	6,126,315	28,503,919	1,606,656	-	1,484,744	37,721,634	36,194,590
Acquisition of tangible capital assets	-	278,159	229,846	350,398	1,349,274	2,207,677	1,527,044
Transfer of assets under construction	-	1,137,184	-	-	(1,137,184)	-	-
Balance, end of year	6,126,315	29,919,262	1,836,502	350,398	1,696,834	39,929,311	37,721,634
Accumulated amortization							
Balance, beginning of year	3,241,818	17,798,207	1,402,555	-	-	22,442,580	21,305,806
Annual amortization	117,437	682,643	99,701	43,800	-	943,581	1,136,774
Balance, end of year	3,359,255	18,480,850	1,502,256	43,800	-	23,386,161	22,442,580
Net book value of tangible capital assets	2,767,060	11,438,412	334,246	306,598	1,696,834	16,543,150	15,279,054
Net book value of tangible capital assets	2,884,497	10,705,712	204,101	-	1,484,744	15,279,054	



Buffalo River Dene Nation **Schedule 2 - Schedule of Consolidated Expenses by Object** *For the year ended March 31, 2017*

	2017 Budget (Note 17)	2017 Actual	2016 Actual (Restated - Note 20)
Administration	32,807	-	-
Amortization	-	943,581	1,136,774
Assistance	683,272	1,815,618	1,907,320
Bank charges and interest	12,500	34,470	48,515
Contracted services	632,081	1,144,583	668,045
Cultural	1,000	105,441	6,324
Elders fees	3,000	-	-
Equipment lease	90,942	67,496	63,214
Equipment purchase	53,450	44,863	48,192
Fuel	41,340	26,768	3,436
Gifts	4,100	4,937	7,281
Honouraria	364,160	304,510	315,226
Insurance	13,172	133,755	135,132
Interest on long-term debt	-	147,003	122,106
Meeting	31,825	6,923	10,825
Miscellaneous	199,068	1,426	47,217
Office supplies	78,276	100,781	94,587
Professional fees	424,500	295,169	380,288
Program expense	201,624	195,482	166,395
Repairs and maintenance	268,794	576,783	549,778
Salaries and benefits	3,925,207	4,605,276	4,654,299
Student expenses	387,000	442,108	371,921
Supplies	314,817	336,591	264,039
Telephone	86,296	64,298	72,933
Training	65,027	71,368	45,160
Travel	336,834	717,794	606,703
Utilities	388,840	347,263	290,256
	8,639,932	12,534,287	12,015,966



Buffalo River Dene Nation Administration

Schedule 3 - Consolidated Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 <i>Budget</i> (Note 17)	2017 <i>Actual</i>	2016 <i>Actual</i> (Restated - Note 20)
Revenue			
Indigenous and Northern Affairs Canada	504,752	603,137	534,763
MLTC Program Services Inc.	114,702	129,524	125,100
Miscellaneous	130,500	227,226	10,510
Expense recoveries	-	37,545	760
User fees	2,000	-	-
	751,954	997,432	671,133
Expenses			
Administration (recovery)	(110,220)	(185,563)	(158,394)
Assistance	14,822	40,803	-
Bank charges and interest	12,500	34,470	48,515
Contracted services	20,800	175,411	207,043
Equipment lease	30,000	44,051	47,823
Equipment purchase	-	2,665	-
Fuel	2,000	-	-
Gifts	1,000	1,500	-
Honouraria	326,000	276,252	298,167
Meeting	2,000	1,114	9,525
Miscellaneous	141,523	1,426	-
Office supplies	22,000	18,225	34,881
Professional fees	162,000	168,797	81,797
Repairs and maintenance	5,000	8,099	3,878
Salaries and benefits	410,949	504,656	390,372
Supplies	2,000	3,121	-
Telephone	29,000	33,630	38,887
Training	3,500	249	-
Travel	129,500	369,323	328,271
Utilities	-	525	-
	1,204,374	1,498,754	1,330,765
Deficit	(452,420)	(501,322)	(659,632)



Buffalo River Dene Nation **Community Infrastructure**

Schedule 4 - Consolidated Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 17)	2017 Actual	2016 Actual (Restated - Note 20)
Revenue			
Indigenous and Northern Affairs Canada	729,144	765,448	732,878
User fees	20,000	11,608	21,756
Rental income	47,455	38,254	104,595
Government of Saskatchewan	112,875	38,500	-
Miscellaneous	250	8,441	-
Expense recoveries	11,200	-	-
	920,924	862,251	859,229
Expenses			
Administration	-	-	1,203
Contracted services	261,526	311,907	288,927
Equipment lease	9,000	3,187	9,561
Equipment purchase	41,000	17,814	33,826
Fuel	37,000	26,270	495
Insurance	1,500	99,916	105,233
Interest on long-term debt	-	5,092	-
Office supplies	12,000	9,921	290
Repairs and maintenance	115,092	169,331	135,355
Salaries and benefits	268,960	335,491	336,462
Supplies	111,000	121,986	133,223
Telephone	3,500	6,662	5,118
Training	2,075	450	-
Travel	17,120	22,880	24,417
Utilities	345,840	299,833	263,576
	1,225,613	1,430,740	1,337,686
Deficit	(304,689)	(568,489)	(478,457)



Buffalo River Dene Nation Education

Schedule 5 - Consolidated Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 17)	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada	2,457,591	2,744,757	2,623,627
MLTC Program Services Inc.	220,635	430,832	220,935
Miscellaneous	63,855	24,000	114,350
NCSRC	43,050	53,400	47,000
Expense recoveries	18,740	10,932	29,889
	2,803,871	3,263,921	3,035,801
Expenses			
Assistance	16,534	1,812	-
Contracted services	142,934	213,511	146,846
Cultural	1,000	105,441	6,324
Equipment lease	42,560	20,258	5,830
Equipment purchase	1,200	12,719	14,375
Fuel	1,000	426	191
Gifts	2,000	600	7,281
Honouraria	-	200	765
Insurance	1,604	4,704	3,936
Meeting	3,500	5,301	1,300
Miscellaneous	500	-	50
Office supplies	16,750	53,566	16,534
Program expense	13,410	36,447	13,872
Repairs and maintenance	15,000	6,102	14,400
Salaries and benefits	1,886,113	2,126,016	2,349,397
Student expenses	387,000	442,108	371,921
Supplies	67,500	134,837	67,364
Telephone	10,776	7,674	11,842
Training	17,000	38,864	7,085
Travel	101,000	93,794	130,248
Administration	-	10,150	-
	2,727,381	3,314,530	3,169,561
Surplus (deficit)	76,490	(50,609)	(133,760)



Buffalo River Dene Nation Health

Schedule 6 - Consolidated Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 17)	2017 Actual	2016 Actual (Restated - Note 20)
Revenue			
Indigenous and Northern Affairs Canada	102,484	42,484	-
Health Canada	116,000	124,016	117,468
MLTC Program Services Inc.	12,000	12,000	12,000
Meadow Lake Health & Social Development Authority Inc.	1,346,059	1,402,265	1,463,947
Meadow Lake Tribal Council CFS Inc.	231,245	231,245	147,309
Miscellaneous	20,000	10,365	14,580
Expense recoveries	39,984	23,847	39,099
	1,867,772	1,846,222	1,794,403
Expenses			
Administration	143,027	175,413	141,706
Amortization	-	34,752	34,752
Assistance	10,000	600	1,490
Contracted services	108,756	99,704	112,202
Equipment lease	9,382	-	-
Equipment purchase	3,750	7,969	-
Fuel	500	72	-
Gifts	1,000	992	-
Honouraria	200	-	1,045
Insurance	10,068	3,925	6,596
Interest on long-term debt	-	1,515	7,924
Meeting	4,725	-	-
Miscellaneous	56,620	-	-
Office supplies	27,526	17,517	42,706
Program expense	163,214	137,721	127,853
Repairs and maintenance	79,305	43,489	58,398
Salaries and benefits	1,056,478	1,180,525	1,123,773
Supplies	82,488	64,789	25,738
Telephone	41,020	16,132	17,086
Training	42,452	31,805	37,600
Travel	74,691	133,965	83,296
Utilities	39,500	45,542	23,682
	1,954,702	1,996,427	1,845,847
Deficit before transfers	(86,930)	(150,205)	(51,444)
Transfers between programs	-	75,388	60,000
Surplus (deficit)	(86,930)	(74,817)	8,556



Buffalo River Dene Nation Capital

Schedule 7 - Consolidated Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 17)	2017 Actual	2016 Actual (Restated - Note 20)
Revenue			
Indigenous and Northern Affairs Canada	290,247	1,811,401	1,324,614
Canada Mortgage and Housing Corporation	-	230,436	152,102
Rental income	-	69,120	108,778
	290,247	2,110,957	1,585,494
Expenses			
Administration	-	-	15,485
Amortization	-	908,829	1,102,022
Assistance	150,000	-	-
Contracted services	71,400	187,831	(250,241)
Equipment purchase	5,000	3,696	-
Insurance	-	20,460	15,167
Interest on long-term debt	-	140,396	114,182
Office supplies	-	1,552	176
Professional fees	-	11,000	3,600
Repairs and maintenance	54,247	349,762	330,870
Salaries and benefits	2,000	-	-
Supplies	5,000	31	-
Telephone	1,000	-	-
Travel	1,600	9,623	6,550
Utilities	-	661	2,190
	290,247	1,633,841	1,340,001
Surplus	-	477,116	245,493



Buffalo River Dene Nation Other Programs

Schedule 8 - Consolidated Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 17)	2017 Actual	2016 Actual (Restated - Note 20)
Revenue			
Indigenous and Northern Affairs Canada	-	-	33,034
MLTC Program Services Inc.	326,069	277,818	410,617
Investment income	-	150,004	614,394
Rental income	36,000	46,475	57,263
Government of Saskatchewan	50,260	4,470	-
Miscellaneous	264,000	170,843	375,780
Northern Lights Community Development Corporation	-	115,372	152,385
First Nations Trust	493,495	453,119	473,294
Earnings (loss) from investment in Nation business entities	400,000	21,226	47,854
Other revenue	-	144,020	-
	1,569,824	1,383,347	2,164,621
Expenses			
Assistance	491,916	85,477	28,897
Contracted services	15,000	152,328	143,327
Elders fees	3,000	-	-
Equipment purchase	2,500	-	(9)
Fuel	840	-	2,690
Gifts	100	-	-
Honouraria	14,560	4,038	15,249
Insurance	-	4,750	4,200
Meeting	21,600	508	-
Miscellaneous	-	-	47,167
Professional fees	262,500	115,372	294,891
Program expense	25,000	-	24,630
Repairs and maintenance	150	-	6,877
Salaries and benefits	241,116	382,007	371,195
Supplies	1,829	-	5,231
Telephone	1,000	200	-
Training	-	-	475
Travel	12,924	87,653	31,619
Utilities	3,500	702	808
	1,097,535	833,035	977,247
Surplus before transfers	472,289	550,312	1,187,374
Transfers between programs	-	-	32,587
Surplus	472,289	550,312	1,219,961



Buffalo River Dene Nation **Social Development**

Schedule 9 - Consolidated Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 17)	2017 Actual	2016 Actual
Revenue			
Indigenous and Northern Affairs Canada	155,422	215,422	248,456
MLTC Program Services Inc.	-	1,647,359	1,610,144
Miscellaneous	25,000	-	-
Northern Lights Community Development Corporation	25,456	-	-
Expense recoveries	-	-	33,299
	205,878	1,862,781	1,891,899
Expenses			
Assistance	-	1,686,926	1,876,933
Contracted services	12,091	3,891	19,941
Fuel	-	-	60
Gifts	-	1,845	-
Honouraria	23,400	24,020	-
Program expense	-	21,314	40
Salaries and benefits	59,589	76,581	83,100
Supplies	45,000	11,827	32,483
Travel	-	556	2,302
	140,080	1,826,960	2,014,859
Surplus (deficit) before transfers	65,798	35,821	(122,960)
Transfers between programs	-	(75,388)	(92,587)
Surplus (deficit)	65,798	(39,567)	(215,547)