

Brokenhead Ojibway Nation
Indigenous Services Canada Funded Programs
Financial Statements
March 31, 2024

Independent Auditor's Report

To the Members of Brokenhead Ojibway Nation:

Opinion

We have audited the financial statements of Brokenhead Ojibway Nation Indigenous Services Canada Funds Programs (the "Department"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented in Schedules 1 to 84 is presented for the purpose of additional analysis. Such supplemental information has been subjected only to auditing procedures applied in the audit of the basic financial statements as a whole.

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

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

In preparing the financial statements, management is responsible for assessing the Department'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 Department or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 Department'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 Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Winnipeg, Manitoba

November 1, 2024

MNP LLP

Chartered Professional Accountants

Brokenhead Ojibway Nation Indigenous Services Canada Funded Programs

Statement of Financial Position

As at March 31, 2024

Financial assets

Receivable from Indigenous Services Canada (Note 3)	1,067,892
Due from Brokenhead Ojibway Nation (Note 4)	17,932,763
	19,000,655

Liabilities

Payable to Indigenous Services Canada	116,891
Deferred revenue (Note 5)	18,883,764
	19,000,655

Net financial assets

-

Contingencies (Note 6)

Accumulated surplus

-

Approved on behalf of the Chief and Council



Chief



Councillor



Councillor



Councillor



Councillor



Councillor

Brokenhead Ojibway Nation Indigenous Services Canada Funded Programs

Statement of Operations and Accumulated Surplus

For the year ended March 31, 2024

	2024 Budget	2024 Actual
Revenue		
Indigenous Services Canada (Note 7)	36,035,360	36,035,360
Revenue deferred in prior year	-	8,163,659
Revenue deferred to subsequent year	-	(18,883,764)
	36,035,360	25,315,255
Expenses by program (schedules 2 to 84)		
02 - Accreditation Services	30,000	30,000
03 - Band Employee Benefits	134,080	575,937
04 - Band Support	455,416	898,629
05 - BON Lands	372,470	456,947
06 - Capital - New Seniors Building - 20 Units Elder	1,177,110	1,177,110
07 - Capital - Equipment	77,500	77,500
09 - Capital - Jordan's Principle Major Project CHRT41	107,600	487,519
10 - Capital - New Governance Building	261,695	100,000
11 - Capital - School Mould Remediation	3,243,917	3,547,578
13 - Capital - Insurance	100,000	531,364
14 - Capital - Roads	120,000	120,000
17 - Community Development Wrap Around	1,670,000	3,478
18 - CFS Capacity Building	1,550,000	1,263,743
19 - Community Health Representative	50,342	50,342
20 - Community Buildings	119,723	119,723
22 - Professional Advisory Services	-	125,971
24 - COVID-19 - HCCC Policy Development	-	74,315
26 - Communicable Disease Emergency Planning and Response	23,889	23,889
28 - CPNP Prenatal	23,800	23,800
29 - Child Welfare Jurisdiction	-	11,379
30 - Aboriginal Diabetes Initiative	25,935	54,414
31 - Drinking Water	16,000	16,000
32 - Education Innovation	7,642	-
33 - Enhanced Service Delivery (ESD)	-	122,526
34 - Family Violence Prevention	14,000	14,000
35 - Fire Protection - O&M	88,129	88,129
37 - Home Community Care - Service Delivery	342,478	342,478
38 - Headstart Program	223,409	223,409
39 - Health Governance Administration	144,519	152,093
40 - Health Nurse	103,336	113,118
41 - Housing - Capacity Development	120,000	108,569
42 - In Home Care Program	42,715	42,715
44 - Jordan's Principle	6,058,787	6,148,511
45 - Jordan's Principle - Houses	1,154,280	1,405,397
46 - Jordan's Principle - Quonset	4,037,000	1,521,165
47 - Jordan's Principle - Transportation	1,585,801	150,771
48 - JP-Urban Reserve	213,546	2,010,080
49 - Governance Capacity Development	53,000	53,000
50 - Maintenance Management	26,000	26,000
51 - Major Housing Renovations \$480k 22-23 CSJ66	-	256,445
52 - Major Housing Renovations \$501k 21/22yr	-	258,902
54 - Major New Housing 20-21 (CSI93)	-	35,703
56 - MB Indigenous Housing Capacity	-	386
57 - Maternal Child Health Program	136,070	136,070
58 - Medical Transportation	245,071	279,285
59 - Membership	16,864	19,114
60 - Mental Wellness Program	350,223	533,650
61 - Municipal Services	18,000	92,429
62 - Economic Development - National Access Cannabis	-	19,843
63 - New Housing Subdivision - CSC77	550,000	550,000

The accompanying notes are an integral part of these financial statements

Brokenhead Ojibway Nation Indigenous Services Canada Funded Programs

Statement of Operations and Accumulated Surplus

For the year ended March 31, 2024

(Continued from previous page)

64 - New Housing \$150K - CSK88 - Renovations	150,000	-
65 - New Housing CSK99 - Planning Design and Construction	306,860	112,630
66 - O&M Health Facilities	29,925	44,120
67 - Prevention/Least Disruptive Measures	2,290,862	2,471,926
68 - Roads and Bridges - O&M	284,230	284,230
69 - Social Services	2,063,690	1,486,972
71 - Specific Claims - Hydro Line	-	43,700
73 - Summer Students	48,106	50,769
74 - TPI - Encumbrance Task Force	-	16,306
75 - VLT - Business Plan Move	-	3,200
76 - Water Treatment Plant Operations	310,804	321,623
77 - Capital - Fire Protection Equipment	679,504	121,075
78 - Capital - Fire Protection	132,634	132,654
79 - LEDSP Targeted - Economic Development	66,936	66,936
80 - IELCC Minor Projects	18,112	18,112
81 - Bon Arbor	-	10,868
83 - CFS Capital	4,563,350	-
	36,035,360	29,658,547
Operating deficit before transfers	-	(4,343,292)
Transfers from Brokenhead Ojibway Nation (Note 11)	-	4,343,292
Operating surplus	-	-
Accumulated surplus, beginning of year	-	-
Accumulated surplus, end of year	-	-

The accompanying notes are an integral part of these financial statements

Brokenhead Ojibway Nation Indigenous Services Canada Funded Programs

Statement of Cash Flows

For the year ended March 31, 2024

Cash provided by (used for) the following activities

Operating activities

Cash receipts from contributors	24,247,363
Cash paid to suppliers	(22,442,077)
Cash paid to employees	(7,216,470)
	(5,411,184)

Investing activities

Change in Due from Brokenhead Ojibway Nation	5,411,184
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Increase (decrease) in cash resources -

Cash resources, beginning of year -

Cash resources, end of year -

Brokenhead Ojibway Nation Indigenous Services Canada Funded Programs

Notes to the Financial Statements

For the year ended March 31, 2024

1. Operations

Brokenhead Ojibway Nation Indigenous Services Canada Funded Programs (the "Department") is a department of Brokenhead Ojibway Nation (the "First Nation") which is located in the province of Manitoba, and provides various services to the First Nation Members. Brokenhead Ojibway Nation includes the First Nation's programs that are funded by Indigenous Service Canada. The Department is treated as a separate program for accounting purposes and is not separately incorporated. As a department of the First Nation, the Department is not subject to corporate income tax.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of financing 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 and services and the creation of a legal obligation to pay.

The year ended March 31, 2024 is the first year that the Department has maintained financial records in a manner that is complete and separate. As a result, meaningful comparative figures are not fully available for disclosure and have not been included in these financial statements, except in the case of the attached unaudited schedules.

The Department has not included a Statement of Remeasurement Gains and Losses or a Statement of Change in Net Financial Assets in these financial statements as there were no items applicable to these statements.

Net financial assets

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

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.

Tangible capital assets

The Department receives funding for the purpose of buying assets which are capitalized in the financial records of other Departments of Brokenhead Ojibway Nation. Such purchases are recorded in these financial statements as expenses of the Department.

Revenue recognition

Government transfer revenue which includes grants from Indigenous Services Canada, 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 is reflected as deferred revenue on the statement of financial position in the year of receipt, and is matched with the related department expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

Brokenhead Ojibway Nation Indigenous Services Canada Funded Programs

Notes to the Financial Statements

For the year ended March 31, 2024

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

Financial instruments

Amortized cost

The Department has classified the following financial assets in the amortized cost category: accounts receivable from Indigenous Services Canada and due from Brokenhead Ojibway Nation. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Accounts receivable from Indigenous Services Canada and due from Brokenhead Ojibway Nation are subsequently measured at their amortized cost, using the effective interest rate method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal payments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability.

The Department has classified the following liability in the amortized cost category: payable to Indigenous Services Canada. This liability is initially recognized at fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Payable to Indigenous Services Canada is subsequently measured at amortized cost using the effective interest rate method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Measurement uncertainty

The preparation of 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 financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable from Indigenous Services Canada and due from Brokenhead Ojibway Nation are stated after evaluation as to collectability and an allowance for doubtful accounts is provided where considered necessary. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

3. Receivable from Indigenous Services Canada

	2024
Pension Plan Admin	9,519
CPP/ QPP & Pension	31,053
CDWAI-Comm.Dev.Wrap-Around	20,000
CFS-FNCFS Capital (P053535)	2,000
Basic Needs	521,199
Service Delivery	138,736
Band Support	123,949
Community Buildings	161,695
Film Industry Feasibility Study	25,000
Preparedness Mitigation	34,741
	1,067,892

Brokenhead Ojibway Nation Indigenous Services Canada Funded Programs

Notes to the Financial Statements

For the year ended March 31, 2024

4. Due from Brokenhead Ojibway Nation

Due from Brokenhead Ojibway Nation is unsecured, non-interest bearing and with no fixed terms of repayment.

5. Deferred revenue

	2024
BON Lands	267,698
Capital - Elders Lodge Building	50,000
Capital - Fire Protection	558,429
Capital - New Governance Building	261,695
Capital - Water Treatment Plant	600,000
CFS Capacity Building	666,324
Community Development Wrap Around Initiative	1,696,522
Education Innovation	36,884
Enhanced Service Delivery (ESD)	294,194
Housing - Capacity Development	96,160
Jordan's Principle - Quonset	2,515,835
Jordan's Principle - Transportation	1,435,030
Major Housing Renovations 480k 22-23 CSJ66	223,555
Major New Housing 20-21 (CSJ93)	1,102,604
Major New Housing 22-23 (CSJ98)	921,500
MB Indigenous Housing Capacity	35,274
New Housing 150K - CSK88 - Renovations	150,000
New Housing CSK99 - Planning Design and Construction	194,230
New Housing Subdivision - CSC77	200,000
Social Services	2,245,311
Specific Claims - Hydro Line	11,030
Specific Claims - Railway	122,115
TPI - Encumbrance Task Force	48,094
CFS Capital	4,563,350
Prevention/Least Disruptive Measures - FN Representative Service	191,591
Capital - School Mould Remediation	396,339
	18,883,764

6. Contingencies

Funding recoveries

The Department is subject to funding recoveries according to their agreements with Indigenous Services Canada. At year end it was not yet determined to what extent any funding amounts relating to the year ending March 31, 2024 might be recovered.

7. Reconciliation of funding from Indigenous Services Canada

The Indigenous Services Canada ("ISC") revenue of \$36,035,360 on the statement of operations and accumulated surplus agrees to the ISC confirmation.

Brokenhead Ojibway Nation Indigenous Services Canada Funded Programs

Notes to the Financial Statements

For the year ended March 31, 2024

9. Expenses by object

	2024
Administration fees	785,142
Capital assets / construction	4,118,505
Honouraria	83,253
Insurance	550,643
Prevention	976,951
Professional fees, including preliminary fees on capital projects	2,490,166
Program delivery	10,035,880
Repairs and maintenance	2,402,785
Salaries and benefits	7,216,470
Travel and training	364,574
Utilities	634,178
	29,658,547

8. Economic dependence

The Department receives a significant portion of its revenue from Indigenous Services Canada. The Department also depends on the First Nation to transfer funds in order to cover unfunded expenses. The ability of the Department to continue operations is dependent upon the continued financial commitments of Indigenous Services Canada and the First Nation.

10. Financial instruments

The Department as part of its operations carries a number of financial instruments. It is management's opinion that the Department is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

A credit concentration exists relating to due from Brokenhead Ojibway Nation. The risk is mitigated by the fact that the Chief and Council of Brokenhead Ojibway Nation also provide governance to the department and have taken steps to secure the related amount owing to the Department in cash and other working capital accounts of the First Nation.

11. Related party balances and transactions

Transfers from Brokenhead Ojibway Nation are recorded at the exchange amount, which is the amount established and agreed to by the related parties.