

**Hatchet Lake Denesuline Nation  
Consolidated Financial Statements  
March 31, 2024**

**Hatchet Lake Denesuline Nation**  
**Consolidated Financial Statements**  
*March 31, 2024*

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**Hatchet Lake Denesuline Nation**  
**Management's Responsibility for Financial Reporting**  
*March 31, 2024*

To the Members of Hatchet Lake Denesuline Nation:

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Chalupiak & Associates CPA Professional Corporation, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Hatchet Lake Denesuline Nation and meet when required.

On behalf of Hatchet Lake Denesuline Nation:

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Signature on file  
Hatchet Lake Denesuline Nation

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May 2, 2025  
Date



## Chalupiak & Associates CPA Professional Corporation

Chartered Professional Accountants

3261 Saskatchewan Drive

Regina, Saskatchewan S4T 6S4

Phone: 306-359-3711 Fax: 306-569-3030

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## Independent Auditors' Report

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

### *Opinion*

We have audited the consolidated financial statements of Hatchet Lake Denesuline Nation and its subsidiaries and segments (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2024, 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 Group as at March 31, 2024, and the results of its consolidated operations, its consolidated accumulated surplus, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### *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 Group 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (TCWG) are responsible for overseeing the Group'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 Group'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 Group'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 Group 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.

*Chalupiak & Associates  
CPA Professional Corporation*

**Regina, Saskatchewan**  
**May 2, 2025**

**Chartered Professional Accountants**

**Hatchet Lake Denesuline Nation**  
**Consolidated Statement of Financial Position**  
*March 31, 2024*

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| <b>Financial Assets</b>   |                     |                     |
| Cash & cash equivalents (Note 3)                                | \$ 5,704,757        | \$ 5,649,142        |
| Restricted cash - capital projects (Note 3)                     | 8,020,754           | 8,839,763           |
| Restricted cash - CMHC reserves (Note 3)                        | 870,575             | 972,248             |
| Trust funds held by federal government (Notes 3 and 4)          | 25,225              | 24,017              |
| Accounts receivable (Notes 5 and 6)                             | 7,099,631           | 2,658,830           |
| Due from Hatchet Lake Development Limited Partnership (Note 12) | -                   | 652                 |
| Investments in government business enterprises (Notes 7 and 8)  | 43,988,641          | 38,855,364          |
|   | <hr/> 65,709,583    | <hr/> 57,000,016    |
| <b>Liabilities</b>  |                     |                     |
| Bank indebtedness (Note 9)                                      | -                   | 57,099              |
| Accounts payable (Note 10)                                      | 2,651,213           | 1,870,212           |
| Deferred revenue (Note 11)                                      | 24,673,237          | 18,590,897          |
| Due to Hatchet Lake Development Limited Partnership (Note 12)   | 155,151             | -                   |
| Loans payable (Note 13)   | 1,119,021           | 1,546,245           |
| Current portion of long-term debt (Note 14)                     | 23,364              | 23,237              |
| Current portion of CMHC mortgages (Note 15)                     | 519,548             | 514,049             |
| Long-term debt (Note 14)  | 24,158              | 43,326              |
| CMHC mortgages (Note 15)  | 5,273,434           | 5,778,892           |
|   | <hr/> 34,439,126    | <hr/> 28,423,957    |
| <b>Net financial assets</b>                                     | <hr/> 31,270,457    | <hr/> 28,576,059    |
| <b>Non-financial Assets</b>                                     |                     |                     |
| Capital assets (Note 16)  | 77,737,616          | 64,411,972          |
| Prepaid expenses (Note 17)                                      | 116,272             | 77,470              |
| Inventory (Note 18)   | 344,949             | 405,797             |
|   | <hr/> 78,198,837    | <hr/> 64,895,239    |
| <b>Accumulated Surplus</b> (Note 19)                            | <hr/> \$109,469,294 | <hr/> \$ 93,471,298 |

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

Signature on file

Signature on file

The accompanying notes are an integral part of the financial statements

**Hatchet Lake Denesuline Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2024*

|  | 2024<br>Budget<br>(unaudited) | 2024<br>Actual       | 2023<br>Actual       |
|--|-------------------------------|----------------------|----------------------|
| <b>Revenue</b>   |                               |                      |                      |
| Indigenous Services Canada (ISC)                         | \$ 24,621,736                 | \$ 32,263,019        | \$ 25,989,133        |
| Canada Mortgage and Housing Corporation (CMHC)           | 625,453                       | 635,365              | 625,453              |
| Prince Albert Grand Council (PAGC)                       | 2,261,584                     | 4,712,487            | 2,289,281            |
| First Nations Trust (FNT)                                | 706,749                       | 939,729              | 706,749              |
| Federation of Sovereign Indigenous Nations (FSIN)        | 17,000                        | -                    | 17,000               |
| Athabasca Denesuline Education Authority (ADEA)          | 345,047                       | 184,856              | 345,047              |
| Government of Saskatchewan                               | 25,000                        | -                    | 25,000               |
| Northern Lights Community Development Corp. (NLCDC)      | 107,500                       | 207,300              | 107,500              |
| Northern Sport Culture & Recreation District             | 55,918                        | 84,300               | 55,918               |
| Equity pickup (losses) - government business enterprises | -                             | 4,133,277            | 3,386,174            |
| Impact Benefit Agreement (IBA)                           | 107,760                       | 173,847              | 107,760              |
| User fees  | 8,027                         | 6,349                | 8,027                |
| Rental revenue   | 261,777                       | 256,045              | 261,777              |
| Other revenue  | 1,229,397                     | 1,468,515            | 1,304,930            |
| Deferred revenue - prior year                            | 16,294,218                    | 19,924,047           | 16,503,433           |
| Deferred revenue - current period                        | (18,167,305)                  | (24,673,238)         | (18,590,897)         |
|  | 28,499,861                    | 40,315,898           | 33,142,285           |
| <b>Expenses</b>  |                               |                      |                      |
| Treaties and Indigenous Government (Schedule 1)          | -                             | 504,768              | 338,561              |
| Community Infrastructure (Schedule 2)                    | 2,007,291                     | 2,441,535            | 2,070,437            |
| Economic Development (Schedule 3)                        | 41,432                        | 155,823              | 41,432               |
| Education (Schedule 4)                                   | 1,455,484                     | 972,571              | 1,499,513            |
| Indigenous Government Support (Schedule 5)               | 1,812,899                     | 1,734,636            | 2,870,580            |
| Land Management (Schedule 6)                             | 12,464                        | -                    | 12,464               |
| Social Development (Schedule 7)                          | 5,923,946                     | 8,484,009            | 5,953,003            |
| First Nation Child & Family Services (Schedule 8)        | 939,104                       | 2,911,112            | 653,904              |
| Registration & Membership (Schedule 9)                   | 19,974                        | 14,107               | 19,974               |
| Governance and Institutions of Governance (Schedule 10)  | 196,115                       | 98,981               | 196,115              |
| Health Services (Schedule 11)                            | 2,829,334                     | 3,794,992            | 2,223,671            |
| CMHC Housing (Schedule 12)                               | 319,637                       | 1,026,273            | 319,283              |
| Other Band Programs (Schedule 13)                        | 1,154,965                     | 127,407              | 1,934,608            |
| Amortization (Schedule 14)                               | -                             | 2,051,685            | 1,919,682            |
|  | 16,712,645                    | 24,317,899           | 20,053,227           |
| <b>Current surplus</b>                                   | <b>\$ 11,787,215</b>          | <b>\$ 15,997,999</b> | <b>\$ 13,089,058</b> |

The accompanying notes are an integral part of the financial statements

**Hatchet Lake Denesuline Nation**  
**Consolidated Statement of Accumulated Surplus**  
*For the year ended March 31, 2024*

|                                      | 2024                 | 2023                 |
|--------------------------------------|----------------------|----------------------|
| <b>Surplus at beginning of year</b>  | \$ 93,471,298        | \$ 80,382,240        |
| <b><u>Current surplus</u></b>        | <b>15,997,999</b>    | <b>13,089,058</b>    |
| <b><u>Surplus at end of year</u></b> | <b>\$109,469,297</b> | <b>\$ 93,471,298</b> |

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The accompanying notes are an integral part of the financial statements

**Hatchet Lake Denesuline Nation**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2024*

|  | 2024<br>Budget<br>(unaudited) | 2024<br>Actual       | 2023<br>Actual       |
|--|-------------------------------|----------------------|----------------------|
| <b>Current surplus</b>                           | <b>\$ 11,787,215</b>          | <b>\$ 15,997,999</b> | <b>\$ 13,089,058</b> |
| Acquisition of capital assets                    | -                             | (15,377,332)         | (12,665,693)         |
| Amortization of capital assets                   | -                             | 2,051,685            | 1,919,682            |
|  | <hr/>                         | <hr/>                | <hr/>                |
|  | -                             | (13,325,647)         | (10,746,011)         |
| Acquisition of prepaid asset                     | -                             | (116,272)            | (77,470)             |
| Use of prepaid asset                             | -                             | 77,470               | 137,823              |
|  | <hr/>                         | <hr/>                | <hr/>                |
|  | -                             | (38,802)             | 60,353               |
| Acquisition of inventory                         | -                             | (344,949)            | (405,797)            |
| Use of inventory                                 | -                             | 405,797              | 390,934              |
|  | <hr/>                         | <hr/>                | <hr/>                |
|  | -                             | 60,848               | (14,863)             |
| Increase in net financial assets                 | 11,787,215                    | 2,694,398            | 2,388,537            |
| <b>Net financial assets at beginning of year</b> | <b>28,576,059</b>             | <b>28,576,059</b>    | <b>26,187,522</b>    |
| <b>Net financial assets at end of year</b>       | <b>\$ 40,363,274</b>          | <b>\$ 31,270,457</b> | <b>\$ 28,576,059</b> |

The accompanying notes are an integral part of the financial statements

**Hatchet Lake Denesuline Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2024*

|  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| <b>Cash flows from<br/>Operating activities</b>            |                      |                      |
| Current surplus  | \$ 15,997,999        | \$ 13,089,058        |
| Items not affecting cash                                   |                      |                      |
| Amortization   | 2,051,685            | 1,919,682            |
| Loss (earnings) from investment in business partnerships   | (4,133,313)          | (3,386,091)          |
| Loss (earnings) from investment in incorporated businesses | 36                   | (83)                 |
|  | <u>13,916,407</u>    | <u>11,622,566</u>    |
| Change in non-cash operating working capital               |                      |                      |
| Accounts receivable  | (4,440,801)          | (220,967)            |
| Inventory  | 60,848               | (14,863)             |
| Prepaid expenses   | (38,802)             | 60,353               |
| Accounts payable   | 781,000              | (2,805,687)          |
| Deferred revenue   | 6,082,340            | 2,087,464            |
| Trust funds held by federal government                     | (1,208)              | (353)                |
| Due from Hatchet Lake Development Limited Partnership      | 652                  | (652)                |
| Due to Hatchet Lake Development Limited Partnership        | <u>155,151</u>       | <u>(5,863)</u>       |
|  | <u>16,515,587</u>    | <u>10,721,998</u>    |
| <b>Capital activities</b>                                  |                      |                      |
| Acquisition of capital assets                              | (15,377,330)         | (12,665,692)         |
| <b>Financing activities</b>                                |                      |                      |
| Loans payable - repayment                                  | (427,224)            | (427,225)            |
| Long-term debt - repayment                                 | (19,042)             | (280,082)            |
| CMHC mortgages - advances                                  | -                    | 446,722              |
| CMHC mortgages - repayment                                 | (499,959)            | (485,397)            |
|  | <u>(946,225)</u>     | <u>(745,982)</u>     |
| <b>Investing activities</b>                                |                      |                      |
| Contributions to incorporated businesses                   | (1,000,000)          | -                    |
| Withdrawals from business partnerships                     | -                    | 40,000               |
| Restricted cash - CMHC                                     | 101,673              | (3,837)              |
|  | <u>(898,327)</u>     | <u>36,163</u>        |
| <b>Increase in cash and cash equivalents</b>               | <b>(706,295)</b>     | <b>(2,653,513)</b>   |
| <b>Cash &amp; cash equivalents, beginning of year</b>      | <b>14,431,806</b>    | <b>17,085,319</b>    |
| <b>Cash &amp; cash equivalents, end of year</b>            | <b>\$ 13,725,511</b> | <b>\$ 14,431,806</b> |
| <b>Represented by</b>                                      |                      |                      |
| Cash & cash equivalents                                    | \$ 5,704,757         | \$ 5,649,142         |
| Restricted cash - capital projects                         | 8,020,754            | 8,839,763            |
| Bank indebtedness  | -                    | (57,099)             |
|  | <u>\$ 13,725,511</u> | <u>\$ 14,431,806</u> |

The accompanying notes are an integral part of the financial statements

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2024

## 1. Operations

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

The office of the Denesuline Nation is physically located on Lac la Hache I.R. 220 and their mailing address is P.O. Box 183, Wollaston Lake, Saskatchewan, S0J 3C0, Canada.

## 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.

### (a) Reporting entity

The Hatchet Lake Denesuline Nation's reporting entity includes the Hatchet Lake Denesuline Nation's government and all related entities that are controlled by the Denesuline 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 Hatchet Lake Denesuline Nation's investment in the government business enterprise and the enterprise's net income (loss) and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Hatchet Lake Denesuline Nation.

Organizations accounted for on a modified equity basis include:

- *Hatchet Lake Denesuline First Nation Economic Development Corporation;*
- *Hatchet Lake Development Limited Partnership;*
- *Waterfound Development Limited Partnership;*
- *Waterfound Development Corporation; and,*
- *102147914 Saskatchewan Ltd.*

### (c) 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 capital assets, prepaid expenses and inventory.

### (d) Net financial assets

The financial statements are presented so as to highlight the net financial assets as the measurement of financial position. The net financial assets are determined by its financial assets less liabilities. Net financial assets do not include non-financial assets.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2024

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

**(e) Other economic interests**

The Denesuline 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 Hatchet Lake Denesuline Nation.

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

The Denesuline Nation is a member of the Yuthe Dene Sekwi Chu L A Koe Betsedi Inc. (Athabasca Denesuline Child and Family Services Inc. or "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 Denesuline 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.

The Denesuline Nation is a member of the Athabasca Denesuline Education Authority ("ADEA"). ADEA is an organization representing the three Denesuline Nation Bands in the Athabasca Region of Saskatchewan, Canada. ADEA is mandated to provide all educational services from Pre-Kindergarten to Grade 12 for communities and schools.

The Denesuline Nation is a member of the Athabasca Denesuline Ne Ne Land Corporation (North of 60 or "ADNLC"). ADNLC is an organization formed to negotiate the settlement of a land claim North of the 60th parallel on behalf of three Nations.

The Denesuline Nation is a member of the Ya' thi Néné Lands and Resources Office ("Ya' thi Néné"). Ya' thi Néné is an organization formed to protect the lands and waters of the Athabasca Basin for the long-term benefit of its Denesuline First Nations and Athabasca communities.

**(f) 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 Denesuline 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, 2024. No contaminated sites have been identified as at March 31, 2024.

**(g) Cash & cash equivalents**

Cash & cash equivalents include balances with banks (net of bank overdrafts) and redeemable GIC's which are used to facilitate day to day operations.

**(h) Restricted cash**

Restricted cash consists of cash & cash equivalents held for specific purposes as defined by various agreements.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2024

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

**(i) Trust funds held by federal government**

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

- Capital Trust moneys are Trust moneys that come from the sale of the First Nation's surrendered lands, from an interest in the land or from the sale of the First Nation's non-renewable resources; 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.

**(j) Capital assets**

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 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 Hatchet Lake Denesuline Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives.

|                           |                           |
|---------------------------|---------------------------|
| Buildings                 | 10-25 years Straight line |
| Vehicles                  | 3-10 years Straight line  |
| Computer equipment        | 2-5 years Straight line   |
| Heavy equipment           | 10 years Straight line    |
| Equipment and furnishings | 5 years Straight line     |
| Infrastructure            | 25-40 years Straight line |
| Band housing              | 25 years Straight line    |
| CMHC housing              | 25 years Straight line    |
| Major renovations         | 10 years Straight line    |

Capital assets are written down when conditions indicate that they no longer contribute to Hatchet Lake Denesuline Nation's ability to provide goods and services, or when the value of future economic benefits associated with the 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 capital assets. Assets under construction are not amortized until the asset is available to be put into service.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2024

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

**(k) Asset retirement obligation**

Accounting standard PS 3280, *Asset Retirement Obligation*, came into effect for fiscal years beginning after April 1, 2022.

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a capital asset at the financial statement date when there is a legal obligation for the Denesuline Nation to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Denesuline Nation reviews the carrying amount of the liability. The Denesuline Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related capital asset. The Denesuline Nation continues to review the possibility of a liability until it would be settled or otherwise extinguished. Disbursements made to settle the liability would be deducted from the reported liability when they are made.

**(l) 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.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2024

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

**(m) Financial instruments**

The Denesuline Nation recognizes its financial instruments when the Denesuline Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. The Denesuline Nation subsequently measures all financial instruments at cost. Transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost.

Financial instruments includes cash & cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities.

**(n) Internal charges and transfers**

The administration office provides services to other program areas. To recognize the cost of these services, some funding agreements allow for a percentage of revenue to be allocated to cover these expenses. At the discretion of the Denesuline Nation, a corresponding revenue and expense may be recorded and referred to as "Administration fees - internal allocation."

**(o) 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.

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 capital assets.

**(p) Segment accounting**

The Denesuline Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the Denesuline 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.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**3. Cash & cash equivalents**

**Unrestricted cash:** Bank accounts used to facilitate day to day normal operations.

**Restricted cash:** Bank accounts that are restricted to a specific purpose as per the terms of an existing agreement. In some cases, these accounts are controlled by a project manager.

**Restricted cash - CMHC:** Under the terms of an agreement with Canada Mortgage and Housing Corporation, Hatchet 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 Reserve Fund and the Operating Reserve Fund.

**Trust funds held by federal government:** Revenues generated from land leases and/or head leases of reserve land are held in trust by the federal government for the benefit of the Hatchet Lake Denesuline Nation.

The Denesuline Nation holds multiple GIC's with CIBC ranging in value between \$10,000 and \$1.5 million, earning interest at 4.25%, maturing November 2024 to March 2025.

|   | 2024            | 2023            |
|---|-----------------|-----------------|
| <b>Unrestricted cash</b>                  |                 |                 |
| General operations                        | \$ 3,371,129    | \$ 135,265      |
| General operations - GIC's                | 1,559,392       | 3,779,156       |
| CMHC operations                           | 310,116         | 989,804         |
| Social development                        | 464,120         | 744,917         |
|   | <hr/> 5,704,757 | <hr/> 5,649,142 |
| <b>Restricted cash - capital projects</b> |                 |                 |
| School renovations                        | 107,153         | 102,188         |
| Subdivision                               | 365,538         | 348,567         |
| Teacherage assessment and renovations     | 160,730         | 153,283         |
| High school renovations                   | 321,460         | 306,566         |
| Lagoon upgrade                            | 1,494,212       | 1,423,849       |
| Propane system study                      | 715             | 682             |
| School assessments                        | 27,828          | 26,539          |
| Solid waste new landfill                  | 3,159,670       | 3,013,274       |
| Nursing station                           | 2,040,519       | -               |
| Seasonal road                             | 342,929         | 3,464,815       |
|   | <hr/> 8,020,754 | <hr/> 8,839,763 |
| <b>Restricted cash - CMHC</b>             |                 |                 |
| CMHC replacement reserve                  | 768,292         | 8,426           |
| CMHC replacement reserve - GIC's          | 102,283         | 963,822         |
|   | <hr/> 870,575   | <hr/> 972,248   |

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**3. Cash & cash equivalents, continued**

|  |                      |                      |  |
|--|----------------------|----------------------|--|
| Trust funds held by federal government |                      |                      |  |
| Capital account                        | 87                   | 87                   |  |
| Revenue account                        | 25,138               | 23,930               |  |
|  | <hr/>                | <hr/>                |  |
|  | 25,225               | 24,017               |  |
|  | <hr/>                | <hr/>                |  |
|  | <b>\$ 14,621,311</b> | <b>\$ 15,485,170</b> |  |
|  | <hr/>                | <hr/>                |  |

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

The Trust funds held by federal government arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the office of the Auditor General of Canada. The management of these funds are primarily governed by Sections 63 to 69 of the Indian Act.

|                             | 2024             | 2024         | 2024             | 2023             |
|-----------------------------|------------------|--------------|------------------|------------------|
|                             | Revenue          | Capital      | Total            | Total            |
| Surplus, beginning of year  | \$ 23,930        | \$ 87        | \$ 24,017        | \$ 23,664        |
| Interest earnings           | 1,208            | -            | 1,208            | 353              |
| <b>Surplus, end of year</b> | <b>\$ 25,138</b> | <b>\$ 87</b> | <b>\$ 25,225</b> | <b>\$ 24,017</b> |

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2024*

**5. Accounts receivable**

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| <b>Due from members</b>   |                     |                     |
| Loans and advances to members - band general                        | \$ 156,317          | \$ 191,648          |
| Loans and advances to members - social development                  | 281,739             | 277,302             |
| <b>Total due from members</b>                                       | <b>438,056</b>      | <b>468,950</b>      |
| <b>Due from others</b>  |                     |                     |
| Prince Albert Grand Council   | 3,331,680           | 1,600,283           |
| Social development - rent, user fees & wood hauling                 | 42,485              | 300                 |
| IBA   | 124,823             | -                   |
| Athabasca Denesuline Education Authority                            | 24,000              | 354,547             |
| Northern Lights Community Development Corporation                   | 105,050             | 105,000             |
| Other receivables   | 85,064              | 126,945             |
| GST receivable  | 73,964              | 22,133              |
| <b>Total due from others</b>  | <b>3,787,066</b>    | <b>2,209,208</b>    |
| <b>Due from Government and other government organizations</b>       |                     |                     |
| Indigenous Services Canada  | 3,209,426           | 341,332             |
| Canada Mortgage & Housing Corporation - subsidy                     | 51,818              | 50,374              |
| <b>Total due from government and other government organizations</b> | <b>3,261,244</b>    | <b>391,706</b>      |
| <b>Less: allowance for doubtful accounts</b>                        | <b>7,486,366</b>    | <b>3,069,864</b>    |
| <b>Total accounts receivable</b>                                    | <b>\$ 7,099,631</b> | <b>\$ 2,658,830</b> |

**6. Accounts receivable - ISC**

|  | 2024                | 2023              |
|--|---------------------|-------------------|
| Service Delivery Infrastructure - PAYE | \$ 4,858            | \$ 4,858          |
| SA Basic Needs - PAYE                  | 318,094             | 318,094           |
| Medical Transportation - PAYE          | 99,300              | 7,500             |
| Medical Transportation                 | 7,500               | 7,500             |
| RLEMP - PAYE                           | 1,035               | 1,035             |
| Prenatal                               | 29,912              | 2,345             |
| Roads & Bridges - Seasonal Road        | 2,748,727           | -                 |
| <b>Total accounts receivable - ISC</b> | <b>\$ 3,209,426</b> | <b>\$ 341,332</b> |

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2024*

**7. Investments in government business enterprises**

Commercial enterprises are those organizations that meet the definition of a government business enterprise (GBE) 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 Denesuline Nation's 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 Denesuline Nation government.

|   | 2024                   | 2023                   |
|---|------------------------|------------------------|
| Hatchet Lake Denesuline First Nation Economic Development Corporation (HLDFNEDC) - 100% | \$ 198,829             | \$ 198,788             |
| Waterfound Development Corp. (WDC) - 33.33%   | 1,835                  | 1,912                  |
| Hatchet Lake Development Limited Partnership (HLDLP) - 99.99%                           | 41,400,087             | 37,311,315             |
| Waterfound Development LP (WDLP) - 33.33%   | 1,387,890              | 1,343,349              |
| 102147914 Saskatchewan Ltd (SK LTD) - 49%   | 1,000,000              | -                      |
|   | <hr/><br>\$ 43,988,641 | <hr/><br>\$ 38,855,364 |

|          | Investment,<br>start of year | Contributions         | Withdrawals   | Share of<br>earnings<br>(loss) | Investment,<br>end of year |
|----------|------------------------------|-----------------------|---------------|--------------------------------|----------------------------|
| HLDFNEDC | \$ 198,788                   | \$ -                  | \$ -          | \$ 41                          | \$ 198,829                 |
| WDC      | 1,912                        | -                     | -             | (77)                           | 1,835                      |
| HLDLP    | 37,311,315                   | -                     | -             | 4,088,772                      | 41,400,087                 |
| WDLP     | 1,343,349                    | -                     | -             | 44,541                         | 1,387,890                  |
| SK LTD   | -                            | 1,000,000             | -             | -                              | 1,000,000                  |
|          | <hr/><br>\$ 38,855,364       | <hr/><br>\$ 1,000,000 | <hr/><br>\$ - | <hr/><br>\$ 4,133,277          | <hr/><br>\$ 43,988,641     |

The investment in Hatchet Lake Development Limited Partnership and its general partner, Hatchet Lake Denesuline First Nation Economic Development Corporation was established for the purposes of managing, evaluating and building its investments and operating its for-profit enterprises. Waterfound Development Limited Partnership and its general partner, Waterfound Development Corp. was established to hold investments with two other Denesuline Nation Partners.

102147914 Saskatchewan Ltd is a company owned by Hatchet Lake Denesuline Nation and Prince Albert Grand Council. It was created to purchase a property in Prince Albert that will be renovated and leased to Spruce Lodge. In the current year, Hatchet Lake Denesuline Nation made the initial deposit on the investment. The property is scheduled to be ready for occupancy in October 2024.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2024*

**8. Investments in government business entities - summary**

|                                     | March 31, 2024                            |                                   | December 31, 2023               |                                   | Total<br>2024        |
|-------------------------------------|---|-----------------------------------|---------------------------------|-----------------------------------|----------------------|
|                                     | HL Economic<br>Development<br>Corporation | Hatchet Lake<br>Development<br>LP | Waterfound<br>Development<br>LP | Waterfound<br>Development<br>Corp |                      |
|                                     | 100%                                      | 99.99%                            | 33.33%                          | 33.33%                            |                      |
| Cash                                | \$ -                                      | \$ 1,848,944                      | \$ 129,187                      | \$ -                              | \$ 1,978,131         |
| Marketable securities               | - -                                       | 32,191                            | -                               | -                                 | 32,191               |
| Accounts receivable                 | - -                                       | 1,614,728                         | -                               | 150                               | 1,614,878            |
| Inventory                           | - -                                       | 1,782,154                         | -                               | -                                 | 1,782,154            |
| Prepaid expenses                    | - -                                       | 6,659                             | -                               | -                                 | 6,659                |
| Property, plant and equipment       | - -                                       | 4,540,155                         | -                               | -                                 | 4,540,155            |
| Investments                         | 198,829                                   | 33,203,226                        | 4,042,234                       | 8,370                             | 37,452,659           |
| Advances to related parties         | - -                                       | 12,430                            | -                               | -                                 | 12,430               |
| <b>Total assets</b>                 | <b>\$ 198,829</b>                         | <b>\$ 43,040,487</b>              | <b>\$ 4,171,421</b>             | <b>\$ 8,520</b>                   | <b>\$ 47,419,257</b> |
|                                     |   |                                   |                                 |                                   |                      |
| Accounts payable and accruals       | \$ - -                                    | \$ 649,940                        | \$ 5,000                        | \$ 716                            | \$ 655,656           |
| Deferred revenue                    | - -                                       | 23,760                            | -                               | -                                 | 23,760               |
| Current portion of long-term debt   | - -                                       | 293,167                           | -                               | -                                 | 293,167              |
| Long-term debt                      | - -                                       | 474,786                           | -                               | -                                 | 474,786              |
| Advances from related parties       | - -                                       | -                                 | -                               | 2,300                             | 2,300                |
| <b>Total liabilities</b>            | <b>- -</b>                                | <b>1,441,653</b>                  | <b>5,000</b>                    | <b>3,016</b>                      | <b>1,449,669</b>     |
| <b>Equity</b>                       | <b>198,829</b>                            | <b>41,598,834</b>                 | <b>4,166,421</b>                | <b>5,504</b>                      | <b>45,969,588</b>    |
| <b>Total liabilities and equity</b> | <b>\$ 198,829</b>                         | <b>\$ 43,040,487</b>              | <b>\$ 4,171,421</b>             | <b>\$ 8,520</b>                   | <b>\$ 47,419,257</b> |

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2024*

**8. Investments in government business entities - summary, continued**

|  | March 31, 2024                            |                                   | December 31, 2023               |                                   | Total<br>2024       |
|--|---|-----------------------------------|---------------------------------|-----------------------------------|---------------------|
|  | HL Economic<br>Development<br>Corporation | Hatchet Lake<br>Development<br>LP | Waterfound<br>Development<br>LP | Waterfound<br>Development<br>Corp |                     |
|  | 100%                                      | 99.99%                            | 33.33%                          | 33.33%                            |                     |
| <b>Revenue</b>                           |   |                                   |                                 |                                   |                     |
| Retail revenue                           | \$ -                                      | \$ 17,668,983                     | \$ -                            | \$ -                              | \$ 17,668,983       |
| Other revenue                            | - -                                       | 1,595,289                         | - -                             | - -                               | 1,595,289           |
| <b>Total revenue</b>                     | <b>-</b>                                  | <b>19,264,272</b>                 | <b>-</b>                        | <b>-</b>                          | <b>19,264,272</b>   |
| <b>Expenses</b>                          |   |                                   |                                 |                                   |                     |
| Cost of sales                            | - -                                       | 14,073,217                        | - -                             | - -                               | 14,073,217          |
| Expenses                                 | - -                                       | 4,596,224                         | 6,902                           | 365                               | 4,603,491           |
| <b>Total expenses</b>                    | <b>-</b>                                  | <b>18,669,441</b>                 | <b>6,902</b>                    | <b>365</b>                        | <b>18,676,708</b>   |
| <b>Other income (expenses)</b>           |   |                                   |                                 |                                   |                     |
| Investment<br>income (loss)              | 41  | 3,660,976                         | 140,659                         | 134                               | 3,801,810           |
| Loss on disposal (PPE)                   | - -                                       | (166,994)                         | - -                             | - -                               | (166,994)           |
| <b>Total other income<br/>(expenses)</b> | <b>41</b>                                 | <b>3,493,982</b>                  | <b>140,659</b>                  | <b>134</b>                        | <b>3,634,950</b>    |
| <b>Net income (loss)</b>                 | <b>\$ 41</b>                              | <b>\$ 4,088,813</b>               | <b>\$ 133,757</b>               | <b>\$ (231)</b>                   | <b>\$ 4,222,514</b> |

The above information is derived from the latest available financial statements for each entity. The value of the Denesuline Nation's investments is reported at the value of its share of equity reported on the latest available financial statements. There was no financial information available for 102147914 Saskatchewan Ltd as of March 31, 2024.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2024*

**9. Bank indebtedness**

Bank indebtedness includes balances and cheques issued in excess of deposits and approved operating lines of credit. Prime rate as of March 31, 2024 was 7.20% (2023 - 6.70%).

The Denesuline Nation has operating lines of credit with the Canadian Imperial Bank of Commerce (CIBC) authorized to \$385,000 on four accounts of the Denesuline Nation at an interest rate of prime plus 1%. Any amounts overdrawn in excess of the approved lines of credit are charged interest at a rate of 21%. The operating lines are secured by a general security agreement on all property and Band Council Resolution directing all present and future funding to CIBC for deposit to the Nation's various accounts.

- General account: \$210,000
- Social account: \$100,000
- Housing account: \$50,000
- Health account: \$25,000

As of March 31, 2024 the Denesuline Nation had drawn on the lines of credit as follows:

**General account** - \$nil (2023 - \$57,099);

**Social account** - \$nil (2023 - \$nil);

**Housing account** - \$nil (2023 - \$nil); and,

**Health account** - \$nil (2023 - \$nil).

**10. Accounts payable**

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| <b>Due to members</b>   |                     |                     |
| Wages payable   | \$ 26,525           | \$ 26,124           |
| <b>Due to others</b>  |                     |                     |
| Trade payables  | 1,272,003           | 1,405,922           |
| Accrued liabilities   | 174,334             | 183,564             |
| Group insurance   | 12,097              | -                   |
| Pension   | 32,065              | 51,217              |
| Capital projects - managed by SAL Engineering                     | 1,018,963           | -                   |
| Accrued interest on CMHC mortgages                                | 11,314              | 9,744               |
| Accrued interest on other loans                                   | 6,738               | 1,308               |
| <b>Total due to others</b>  | <b>2,527,514</b>    | <b>1,651,755</b>    |
| <b>Due to government and other government organizations</b>       |                     |                     |
| Indigenous Services Canada  | 37,708              | 49,410              |
| Canada Revenue Agency - payroll remittance                        | 59,466              | 142,923             |
| <b>Total due to government and other government organizations</b> | <b>97,174</b>       | <b>192,333</b>      |
|   | <b>\$ 2,651,213</b> | <b>\$ 1,870,212</b> |

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**11. Deferred revenue**

Funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. 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" on the financial statements.

|                                     | March 31,<br>2023 | Funding<br>received,<br>2024 | Revenue<br>recognized,<br>2024 | March 31,<br>2024 |
|-------------------------------------|-------------------|------------------------------|--------------------------------|-------------------|
| <b>Federal government</b>           |                   |                              |                                |                   |
| Roads & Bridges                     | \$ 97,964         | \$ 301,135                   | \$ (220,606)                   | \$ 178,493        |
| Wastewater Systems                  | 352,152           | 388,449                      | (403,792)                      | 336,809           |
| Water Systems                       | 339,363           | 456,805                      | (460,592)                      | 335,576           |
| Closing the Gap Activities          | 25,000            | -                            | -                              | 25,000            |
| Energy Systems - Propane Study      | -                 | 25,033                       | -                              | 25,033            |
| Solid Waste                         | 160,070           | 80,811                       | (8,081)                        | 232,800           |
| Solid Waste New Landfill            | 3,010,994         | 146,396                      | (2,371)                        | 3,155,019         |
| Immediate Needs - Construction 2021 | 837,166           | 1,233,118                    | (2,070,284)                    | -                 |
| Immediate Needs - Construction 2022 | 561,842           | -                            | (561,842)                      | -                 |
| Lagoon Upgrade & Expansion          | 1,852,614         | 70,363                       | -                              | 1,922,977         |
| School Roof Repairs                 | 2,148             | -                            | -                              | 2,148             |
| Subdivision                         | -                 | 16,970                       | -                              | 16,970            |
| Teacherage Assessment & Renos       | 153,283           | 7,447                        | (160,730)                      | -                 |
| Reno/Additions - High School        | 306,566           | 164,894                      | (236,326)                      | 235,134           |
| Reno/Additions - Elementary         | 102,189           | 234,965                      | (319,976)                      | 17,178            |
| Plan&Design Construct - TB Housing  | 44,622            | -                            | (44,622)                       | -                 |
| New Construction - TB Housing       | 1,341,535         | 3,531,814                    | (1,716,465)                    | 3,156,884         |
| Seasonal Road                       | 3,201,866         | 7,887,373                    | (8,432,626)                    | 2,656,613         |
| School Assessment                   | 26,539            | 1,289                        | -                              | 27,828            |
| Waste Diversion Program             | 46,640            | -                            | -                              | 46,640            |
| COVID-19 LEDSP (ICBF)               | 43,527            | -                            | (43,527)                       | -                 |
| CORP - Strategic Plan               | 38,160            | -                            | (38,160)                       | -                 |
| Climate Change Adaptation           | 41,176            | -                            | (41,176)                       | -                 |
| Teacherage                          | -                 | 145,919                      | (99,790)                       | 46,129            |
| Post Secondary                      | 151,482           | 773,769                      | (696,215)                      | 229,036           |
| BEB Statutory                       | 65,881            | 46,007                       | (111,888)                      | -                 |
| BEB Non-Statutory                   | 22,117            | 19,368                       | (41,485)                       | -                 |
| Service Delivery                    | 312,902           | 592,350                      | (365,297)                      | 539,955           |
| Service Delivery - Infrastructure   | 111,377           | -                            | -                              | 111,377           |
| Service Delivery COVID-19           | 347,280           | -                            | -                              | 347,280           |
| Service Delivery - Assisted Living  | -                 | 5,537                        | -                              | 5,537             |
| Basic Needs                         | 893,217           | 5,112,879                    | (2,383,706)                    | 3,622,390         |
| Basic Needs - COVID-19              | 496,845           | -                            | (496,845)                      | -                 |
| Special Needs                       | 247,206           | 515,087                      | (657,233)                      | 105,060           |
| In home Care                        | 17,734            | 113,408                      | (98,580)                       | 32,562            |
| Employment & Training               | 324,310           | 388,785                      | (424,775)                      | 288,320           |
| CFS Operations                      | -                 | 194,287                      | (19,428)                       | 174,859           |
| CFS Poverty                         | -                 | 123,615                      | (12,361)                       | 111,254           |
| CFS Emergency                       | -                 | 35,326                       | (3,532)                        | 31,794            |

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2024*

**11. Deferred revenue, continued**

|                                | March 31,<br>2023    | Funding<br>received,<br>2024 | Revenue<br>recognized,<br>2024 | March 31,<br>2024    |
|--------------------------------|----------------------|------------------------------|--------------------------------|----------------------|
| Prevention                     | 1,084,842            | 2,864,478                    | (2,640,458)                    | 1,308,862            |
| FN Representative              | 421,104              | 662,892                      | (281,328)                      | 802,668              |
| CFS On-Reserve O&M             | -                    | 726,840                      | (72,684)                       | 654,156              |
| CFS Capital                    | -                    | 277,193                      | -                              | 277,193              |
| P&ID Financial Management      | 16,856               | -                            | (16,856)                       | -                    |
| Community Navigator            | 37,210               | 63,000                       | (82,125)                       | 18,085               |
| Mental Wellness Program        | 63,051               | 214,874                      | (255,433)                      | 22,492               |
| JP Child/Life Necessities      | 218,629              | 1,154,364                    | (1,372,993)                    | -                    |
| JP MC for Renovations          | 89,239               | 45,043                       | -                              | 134,282              |
| Medical Transportation - Admin | 46,537               | 91,800                       | (138,337)                      | -                    |
| Public Health NS & CHR         | 195,108              | -                            | (195,108)                      | -                    |
| AHHRI Training                 | 17,158               | -                            | -                              | 17,158               |
|                                | <b>17,765,501</b>    | <b>28,713,683</b>            | <b>(25,227,633)</b>            | <b>21,251,551</b>    |
| <b>Other</b>                   |                      |                              |                                |                      |
| Nursing Station                | -                    | 2,040,564                    | (128,962)                      | 1,911,602            |
| Dance Program                  | 41,575               | -                            | -                              | 41,575               |
| Daycare                        | 96,244               | 72,000                       | (139,215)                      | 29,029               |
| Daycare - IELCC                | 171,604              | 393,897                      | (308,534)                      | 256,967              |
| Headstart                      | 188,878              | 96,500                       | (118,112)                      | 167,266              |
| Headstart - IELCC              | 188,702              | 419,533                      | (73,232)                       | 535,003              |
| Harvest Grant                  | 138,393              | 359,011                      | (497,404)                      | -                    |
| TB Support                     | -                    | 533,604                      | (53,360)                       | 480,244              |
|                                | <b>825,396</b>       | <b>3,915,109</b>             | <b>(1,318,819)</b>             | <b>3,421,686</b>     |
| <b>Total</b>                   | <b>\$ 18,590,897</b> | <b>\$ 32,628,792</b>         | <b>\$ (26,546,452)</b>         | <b>\$ 24,673,237</b> |

**12. Due from (to) Hatchet Lake Development Limited Partnership**

Transactions with Hatchet Lake Development Limited Partnership are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties. Amounts due from (to) Hatchet Lake Development Limited Partnership are unsecured, non-interest bearing and have no fixed repayment schedules.

|  | 2024                | 2023          |
|--|---------------------|---------------|
| <b>Due from related party</b>                |                     |               |
| Hatchet Lake Development Limited Partnership | \$ -                | \$ 652        |
| <b>Due to related party</b>                  |                     |               |
| Hatchet Lake Development Limited Partnership | (155,151)           | -             |
|  | <b>\$ (155,151)</b> | <b>\$ 652</b> |

**Hatchet Lake Denesuline Nation**  
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**13. Loans payable**

CIBC prime rate as of March 31, 2024 was 7.20% (2023 - 6.70%).

|   | 2024             | 2023             |
|---|------------------|------------------|
| CIBC Term Facility (G) - 3790754 - Band hall and lot servicing<br>Repayment on demand, until demand - annual principle payment of \$172,222 plus monthly interest payments calculated at prime plus 1.00%, secured by general security agreement over all Nation assets, BCR and assignment of ISC band based capital funding, due April 1, 2028.                           | \$ 861,111       | \$ 1,033,333     |
| CIBC Term Facility (F) - 3790657 - Housing<br>Repayment on demand, until demand - quarterly principle payments of \$25,000 plus monthly interest payments calculated at prime plus 1.00%, secured by general security agreement over all Nation assets, BCR and assignment of First Nations Trust funding, due April 1, 2024.   | 25,000           | 125,000          |
| CIBC Term Loan (H) - 3794555 - Church<br>Repayment on demand, until demand - payment of \$400,000 due April 15, 2021 and a payment of \$280,000 due July 15, 2021. The remaining balance will be amortized over 3 years with quarterly payments of \$33,334 at prime plus 1.00%, secured by general security agreement over all Nation assets and BCR, due October 1, 2024. | 99,994           | 199,996          |
| CIBC Term Facility (E) - 3794253 - Duplex - teacher housing<br>Repayment on demand, until demand - monthly principle payments of \$4,583 plus monthly interest payments calculated at prime plus 1.50%, secured by general security agreement over all Nation assets and BCR, due October 1, 2026.  | <u>132,916</u>   | <u>187,916</u>   |
| <u>Current portion</u>  | <u>1,119,021</u> | <u>1,546,245</u> |
|   | <u>\$ -</u>      | <u>\$ -</u>      |

Principal portion of loans payable expected to be due in the next 5 years, as per the repayment terms:

|                     |                     |
|---------------------|---------------------|
| 2025                | \$ 352,216          |
| 2026                | 227,222             |
| 2027                | 195,138             |
| 2028                | 172,222             |
| 2029 and thereafter | 172,223             |
|                     | <u>\$ 1,119,021</u> |

|  | 2024       | 2023       |
|--|------------|------------|
| Interest expense for the year on loans payable | \$ 100,464 | \$ 108,336 |

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**14. Long-term debt**

|  | 2024                    | 2023                    |
|--|-------------------------|-------------------------|
| HITACHI Capital Canada - obligation under finance lease for the 2019 Caterpillar Backhoe Loader; bearing interest at 0.67% per annum, monthly lease payments of \$1,973 maturing June 1, 2026. | \$ 47,522               | \$ 66,563               |
| <u>Current portion</u>   | <u>23,364</u>           | <u>23,237</u>           |
|  | <u><u>\$ 24,158</u></u> | <u><u>\$ 43,326</u></u> |

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

|             |                         |
|-------------|-------------------------|
| 2025        | \$ 23,364               |
| 2026        | 23,519                  |
| <u>2027</u> | <u>639</u>              |
|             | <u><u>\$ 47,522</u></u> |

|  | 2024         | 2023         |
|--|--------------|--------------|
| <u>Interest expense for the year on long-term debt</u> | <u>4,638</u> | <u>6,099</u> |

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**15. CMHC mortgages**

|                 | Phase number | Renewal date | Interest rate | Monthly payment | 2024         | 2023         |
|-----------------|--------------|--------------|---------------|-----------------|--------------|--------------|
| CMHC            | 1            | 3/1/2024     | 0.62%         | \$ 1,538        | \$ -         | \$ 18,393    |
| CMHC            | 2            | 10/1/2024    | 1.12%         | \$ 319          | \$ 2,221     | \$ 6,001     |
| CMHC            | 3            | 1/1/2026     | 0.74%         | \$ 1,403        | \$ 30,648    | \$ 47,192    |
| CMHC            | 4            | 1/1/2028     | 4.80%         | \$ 1,521        | \$ 63,824    | \$ 78,564    |
| CMHC            | 5            | 12/1/2024    | 1.83%         | \$ 6,203        | \$ 406,045   | \$ 472,402   |
| CMHC            | 6            | 2/1/2027     | 1.88%         | \$ 3,440        | \$ 303,516   | \$ 338,743   |
| CMHC            | 7            | 6/1/2028     | 3.74%         | \$ 3,855        | \$ 361,717   | \$ 394,416   |
| CMHC            | 8            | 10/1/2025    | 0.68%         | \$ 2,159        | \$ 276,561   | \$ 300,501   |
| CMHC            | 9            | 4/1/2026     | 1.30%         | \$ 2,791        | \$ 211,222   | \$ 241,751   |
| CMHC            | 10           | 6/1/2026     | 1.13%         | \$ 2,005        | \$ 275,145   | \$ 295,966   |
| CMHC            | 11           | 6/1/2024     | 5.59%         | \$ 6,738        | \$ 814,352   | \$ 856,560   |
| CMHC            | 12           | 4/1/2025     | 0.98%         | \$ 7,136        | \$ 899,141   | \$ 975,555   |
| CMHC            | 13           | 4/1/2026     | 1.30%         | \$ 3,064        | \$ 411,011   | \$ 442,215   |
| CMHC            | 14           | 4/1/2026     | 1.30%         | \$ 3,441        | \$ 632,418   | \$ 665,258   |
| CMHC            | 15           | 12/1/2026    | 1.57%         | \$ 2,432        | \$ 337,163   | \$ 360,860   |
| CMHC            | 16           | 6/1/2027     | 3.04%         | \$ 3,307        | \$ 432,877   | \$ 449,789   |
| CMHC            | 17           | 4/1/2028     | 3.12%         | \$ 2,450        | \$ 335,121   | \$ 348,775   |
|                 |              |              |               |                 | \$ 5,792,982 | \$ 6,292,941 |
| Current portion |              |              |               |                 | \$ 519,548   | \$ 514,049   |
|                 |              |              |               |                 |              |              |
|                 |              |              |               |                 | \$ 5,273,434 | \$ 5,778,892 |

Principal portion of CMHC mortgages due within the next five years:

|                     |  |           |
|---------------------|--|-----------|
| 2025                |  | 519,548   |
| 2026                |  | 524,078   |
| 2027                |  | 519,584   |
| 2028                |  | 528,688   |
| 2029 and thereafter |  | 3,701,084 |
|                     |  |           |
|                     |  | 5,792,982 |

|   | 2024       | 2023       |
|---|------------|------------|
| Interest expense for the year on CMHC mortgages | \$ 117,018 | \$ 104,219 |

**Hatchet Lake Denesuline Nation**  
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**16. Capital assets**

|                           | Cost                             |              |                         |                         | Accumulated amortization         |              |                         |                     | 2024 Net book value |
|---------------------------|----------------------------------|--------------|-------------------------|-------------------------|----------------------------------|--------------|-------------------------|---------------------|---------------------|
|                           | Balance,<br>beginning of<br>year | Additions    | Disposals/<br>Transfers | Balance, end<br>of year | Balance,<br>beginning of<br>year | Amortization | Balance,<br>end of year | 2024 Net book value |                     |
| Buildings                 | \$ 25,796,736                    | \$ -         | \$ -                    | \$ 25,796,736           | \$ 19,823,711                    | \$ 377,293   | \$ 20,201,004           | \$ 5,595,732        |                     |
| Vehicles                  | 1,155,480                        | 59,288       | -                       | 1,214,768               | 1,140,723                        | 26,348       | 1,167,071               | 47,697              |                     |
| Computer equipment        | 251,750                          | 35,404       | -                       | 287,154                 | 248,104                          | 13,112       | 261,216                 | 25,938              |                     |
| Heavy Equipment           | 1,222,109                        | -            | -                       | 1,222,109               | 811,373                          | 61,007       | 872,380                 | 349,729             |                     |
| Equipment and furnishings | 398,625                          | 242,077      | -                       | 640,702                 | 267,824                          | 104,674      | 372,498                 | 268,204             |                     |
| Infrastructure            | 14,305,552                       | -            | -                       | 14,305,552              | 3,694,535                        | 502,033      | 4,196,568               | 10,108,984          |                     |
| Band housing              | 15,712,011                       | 2,045,346    | 428,782                 | 18,186,139              | 8,623,022                        | 478,547      | 9,101,569               | 9,084,570           |                     |
| CMHC housing              | 10,402,033                       | -            | 468,960                 | 10,870,993              | 4,087,624                        | 433,201      | 4,520,825               | 6,350,168           |                     |
| Major Renovations         | 286,843                          | 193,864      | 74,000                  | 554,707                 | 32,984                           | 55,471       | 88,455                  | 466,252             |                     |
| Assets under construction | 33,610,733                       | 12,801,351   | (971,742)               | 45,440,342              | -                                | -            | -                       | 45,440,342          |                     |
|                           | \$103,141,872                    | \$15,377,330 | \$ -                    | \$118,519,202           | \$ 38,729,900                    | \$ 2,051,686 | \$40,781,586            | \$ 77,737,616       |                     |

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**16. Capital assets, continued**

|                           | Cost                             |               |                         |                         | Accumulated amortization         |              |                         |                     | 2023 Net book value |
|---------------------------|----------------------------------|---------------|-------------------------|-------------------------|----------------------------------|--------------|-------------------------|---------------------|---------------------|
|                           | Balance,<br>beginning of<br>year | Additions     | Disposals/<br>Transfers | Balance, end<br>of year | Balance,<br>beginning of<br>year | Amortization | Balance,<br>end of year | 2023 Net book value |                     |
| Buildings                 | \$ 25,796,736                    | \$ -          | \$ -                    | \$ 25,796,736           | \$ 19,445,015                    | \$ 378,696   | \$ 19,823,711           | \$ 5,973,025        |                     |
| Vehicles                  | 1,140,481                        | 14,999        | -                       | 1,155,480               | 1,134,137                        | 6,586        | 1,140,723               | 14,757              |                     |
| Computer equipment        | 247,250                          | 4,500         | -                       | 251,750                 | 238,589                          | 9,515        | 248,104                 | 3,646               |                     |
| Heavy Equipment           | 1,222,109                        | -             | -                       | 1,222,109               | 727,865                          | 83,508       | 811,373                 | 410,736             |                     |
| Equipment and furnishings | 328,291                          | 70,334        | -                       | 398,625                 | 210,425                          | 57,399       | 267,824                 | 130,801             |                     |
| Infrastructure            | 14,305,552                       | -             | -                       | 14,305,552              | 3,192,192                        | 502,343      | 3,694,535               | 10,611,017          |                     |
| Band housing              | 13,332,339                       | 2,077,272     | 302,400                 | 15,712,011              | 8,187,278                        | 435,744      | 8,623,022               | 7,088,989           |                     |
| CMHC housing              | 10,006,833                       | -             | 395,200                 | 10,402,033              | 3,670,419                        | 417,205      | 4,087,624               | 6,314,409           |                     |
| Major Renovations         | 43,000                           | 193,843       | 50,000                  | 286,843                 | 4,300                            | 28,684       | 32,984                  | 253,859             |                     |
| Assets under construction | 24,053,590                       | 10,304,743    | (747,600)               | 33,610,733              | -                                | -            | -                       | 33,610,733          |                     |
|                           | \$ 90,476,181                    | \$ 12,665,691 | \$ -                    | \$ 103,141,872          | \$ 36,810,220                    | \$ 1,919,680 | \$ 38,729,900           | \$ 64,411,972       |                     |

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**17. Prepaid expenses**

|                                     | 2024                          | 2023                          |
|-------------------------------------|-------------------------------|-------------------------------|
| Post secondary living allowance     | \$ 27,150                     | \$ 33,695                     |
| Social Development                  | 89,122                        | 29,825                        |
| Ferrus - 2024/25 software / support | -                             | 13,950                        |
|                                     | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> |
|                                     | \$ 116,272                    | \$ 77,470                     |

**18. Inventory**

|         | 2024       | 2023       |
|---------|------------|------------|
| Propane | \$ 344,949 | \$ 405,797 |
|         | <hr/>      | <hr/>      |

**19. Accumulated surplus**

|  | 2024           | 2023          |
|--|----------------|---------------|
| <u>Restricted</u>                              |                |               |
| Capital assets                                 | \$ 70,778,091  | \$ 56,506,223 |
| Investments in government business enterprises | 43,988,641     | 38,855,364    |
| Trust funds held by federal government         | 25,225         | 24,017        |
| CMHC replacement reserve                       | 1,241,889      | 1,763,675     |
|  | <hr/>          | <hr/>         |
|  | 116,033,846    | 97,149,279    |
| <u>Unrestricted</u>                            |                |               |
| Operating deficit                              | (6,564,552)    | (3,677,981)   |
|  | <hr/>          | <hr/>         |
|  | \$ 109,469,294 | \$ 93,471,298 |
|  | <hr/>          | <hr/>         |

Capital assets represent the net book value of capital assets less any long-term debt taken out to acquire the capital assets that will be used to provide future services.

Investments in government business enterprises represent amounts not readily available for operations as the investments are not likely to be liquidated within the next year.

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

CMHC replacement reserve is the amount required to be funded for future housing major repairs, as per agreements with CMHC.

**Hatchet Lake Denesuline Nation**  
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**20. ISC contributions**

|                                 | 2024                       | 2023                       |
|---------------------------------|----------------------------|----------------------------|
| ISC revenue per agreement - ISC | \$ 32,294,291              | \$ 25,985,207              |
| Prior period revenue (recovery) |                            |                            |
| Institutional care              | (31,272)                   | 3,926                      |
|                                 | <hr/> <u>\$ 32,263,019</u> | <hr/> <u>\$ 25,989,133</u> |

**21. ISC program reconciliations**

In the current year ISC reconciled the income assistance programs and band employee benefits. The adjustments relating to those programs have been recorded in the the individual program schedules as "Prior period adjustment - ISC reconciliation".

|  | 2024                      |
|--|---------------------------|
| Band Employee Benefits - Statutory (Pension)             | \$ (62,247)               |
| Band Employee Benefits - Non-Statutory (Group Insurance) | (20,443)                  |
| Basic Needs  | 1,358,924                 |
| Special Needs  | (74,971)                  |
| In Home Care   | 27,367                    |
| Employment & Training                                    | 104,519                   |
| <hr/> Total  | <hr/> <u>\$ 1,333,149</u> |

**22. Economic dependence**

Hatchet Lake Denesuline Nation receives a substantial amount of its funding from Indigenous Services Canada ("ISC"). The ability of the Denesuline Nation to continue operations is dependent upon the Government of Canada's continued financial commitments.

**23. CMHC reserves and restricted cash**

It is a requirement of the CMHC operating agreement that operating and replacement reserves be established and monies be set aside in separate bank accounts. On March 31, 2024, the reserve accounts were underfunded (2023 - underfunded). The reserve amounts are not reported separately on these financial statements, but are included in equity.

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

In July 2016, the Hatchet Lake Denesuline Nation signed an impact benefit agreement (IBA) with Cameco and AREVA. The IBA entitles the Denesuline Nation to annual payments; in the current year, the Denesuline Nation received \$173,847 (2023 - \$107,760).

**Hatchet Lake Denesuline Nation**  
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**25. Payments made on behalf of HLDN paid directly by PAGC**

Prince Albert Grand Council (PAGC) pays expenses directly on behalf of the Hatchet Lake Denesuline Nation (HLDN). These transactions are not recorded in detail in the records of HLDN. Payments are made to PAGC on a periodic basis and some revenue allocations are applied against the amount owing to PAGC. In the current year, PAGC paid \$97,115 on behalf of HLDN (2023 - \$207,913).

**26. Related party transactions**

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 are unsecured, non-interest bearing and have no fixed repayment schedules.

**27. Contingent liabilities**

Hatchet Lake Denesuline Nation has the following contingent liabilities:

- a) Hatchet 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 Denesuline Nation fails to comply with the terms and conditions of the agreements.
- b) In addition, in the normal course of its operations, Hatchet 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 Hatchet Lake Denesuline Nation's financial statements.
- c) Hatchet Lake Denesuline Nation is contingently liable for \$700,000 of a loan issued to Yuthe Dene Sekwi Chu L A Koe Betsedi Inc. for the construction of the group home. The loan balance outstanding as of March 31, 2024 was \$1,292,675. The loan bears interest at 4.84%, monthly payments of \$20,979 of combined principle and interest and matures February 1, 2030.
- d) Hatchet Lake Denesuline Nation (HLDN) and Hatchet Lake Development LP (HLDLP) are in a shared credit facility arrangement with CIBC, in which both entities are held as security for loans in their name as well as those in the name of the other entity. The assets of HLDN are held as part of the security on the HLDLP revolving line of credit which had a balance of \$2,625 (March 31, 2023 - \$33,774) and the term loans of approximately \$767,953 (2023 - \$1,331,261).

**28. Employee benefit obligations**

**Vacation and overtime**

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

**Post-employment benefits**

Hatchet 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**

Hatchet Lake Denesuline Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 3.0% to 7.0% of their basic salary; Hatchet Lake Denesuline Nation contributes a matching portion which is directed to the member's contribution account. Hatchet Lake Denesuline Nation does not have any other obligations with regards to the pension plan as at March 31, 2024.

**Hatchet Lake Denesuline Nation**  
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**29. Asset retirement obligation**

The Denesuline Nation has considered its obligations under the new Canadian Auditing Standard (PS 3280) which became effective for fiscal years beginning after April 1, 2022 and determined that the most likely assets that would fall under the standard include buildings that may contain asbestos and a landfill site.

It is unknown if any buildings and houses contain asbestos. Management has determined that the cost to inventory and analyze what buildings may or may not contain asbestos is not warranted. There are no plans to decommission any buildings in the foreseeable future, and if any buildings are decommissioned this will be done on a "one-off" basis, and the cost will be insignificant and absorbed in normal operating costs. The latest available information indicates that the average cost to remove asbestos from a house is just under \$3,000.

There is a landfill site that may need to be decommissioned at some point in the future, the date of which is unknown. An accurate estimate of the cost to decommission the landfill site is not available and it is unknown if this cost will be the responsibility of the Denesuline Nation or ISC. Since the cost to decommission the landfill site is unknown, the criteria as per PS 3280 (Policy 2(k)) has not been met to recognize an Asset Retirement Obligation and therefore has not been recorded in these financial statements.

**30. Financial instruments**

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

***Credit concentration and risk***

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. As at March 31, 2024, receivables from funding agencies accounted for 90% of the outstanding accounts receivable balance.

***Risk management***

The Denesuline Nation manages its credit risk by performing regular assessments and providing allowances for potentially uncollectible accounts receivable.

***Fair Value of Financial Instruments***

The carrying amount of cash & cash equivalents, accounts receivable and trade payables and accruals approximate their fair value due to their short-term nature.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Denesuline Nation manages its exposure to interest rate risk through normal operating and financing activities. The Denesuline Nation is exposed to interest rate risk with their long-term debt that has a variable rate based on the prime lending rate, a finance lease with a fixed rate of 0.67% and CMHC mortgages with fixed rates ranging from 0.62% to 5.59%. The Denesuline Nation has the option to renegotiate the bank loans at their maturity dates. The CMHC mortgages will be renewed at the rates set by CMHC at their renewal date.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
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**30. Financial instruments, continued**

***Liquidity Risk***

Liquidity risk is the risk that the Denesuline Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Denesuline Nation enters into transactions to purchase goods and services on credit, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Denesuline Nation's future net cash flows for the possibility of negative net cash flow. The Denesuline Nation manages the liquidity risk resulting from its accounts payables and accrued liabilities by monitoring its cash and maintaining liquid assets.

**31. Budgeted figures**

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

**32. Comparative figures**

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

**33. Expenses by object**

|  | 2024<br>Budget<br>(unaudited) | 2024<br>Actual | 2023<br>Actual |
|--|-------------------------------|----------------|----------------|
| Administration                                   | \$ 15,000                     | \$ -           | \$ 15,000      |
| Amortization                                     | - -                           | 2,051,685      | 1,919,682      |
| Assistance to band members                       | 662,261                       | 477,578        | 577,441        |
| Bad debts (recovery)                             | 32,660                        | (8,438)        | 32,659         |
| Bank charges and interest                        | 11,501                        | 24,583         | 11,497         |
| Community engagement                             | 600                           | 1,600          | 600            |
| Community events                                 | 99,022                        | 286,291        | 357,002        |
| Community well-being                             | 25,000                        | 51,142         | -              |
| Consultants and contractors                      | 11,040,585                    | 12,418,445     | 11,922,918     |
| Cultural programs                                | 103,700                       | 293,030        | 13,700         |
| ELCC expense                                     | - -                           | 3,932          | -              |
| Economic development                             | - -                           | 76,487         | -              |
| Election   | 44,354                        | 47,974         | 44,354         |
| Equipment lease                                  | 27,615                        | 177,006        | 27,615         |
| Equipment purchases                              | 533                           | 5,340          | 100,533        |
| First Nation Trust expenses                      | 43,948                        | - -            | 43,948         |
| Honorariums                                      | 20,845                        | 3,000          | 4,550          |
| IELCC expense                                    | - -                           | 300            | -              |
| Insurance  | 233,306                       | 245,597        | 233,306        |
| Long-term debt - principal and interest payments | 821,742                       | 551,368        | 821,741        |
| Long-term debt - principal repayment             | (707,306)                     | (446,266)      | (707,306)      |
| Materials and supplies                           | 1,850,950                     | 3,751,385      | 1,850,950      |
| Mortgage payments - principle and interest       | 589,968                       | 616,977        | 589,616        |

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2024*

**33. Expenses by object, continued**

|  | 2024<br>Budget<br>(unaudited) | 2024<br>Actual | 2023<br>Actual |
|--|-------------------------------|----------------|----------------|
| Mortgage payments - principle repayment      | (485,397)                     | (499,959)      | (485,397)      |
| Office supplies                              | 78,572                        | 34,908         | 78,723         |
| PAGC paid expenses directly                  | 207,915                       | 97,115         | 207,913        |
| Post Secondary - administration              | 146,362                       | 84,385         | 146,363        |
| Post Secondary - entrance preparation        | 300                           | 23,433         | 300            |
| Post Secondary - student expenses            | 778,192                       | 599,748        | 778,192        |
| Postage and freight                          | 107,290                       | 172,379        | 119,018        |
| Prevention operations                        | -                             | 31,839         | -              |
| Prior period adjustment - ISC reconciliation | -                             | 1,333,149      | -              |
| Professional fees                            | 102,858                       | 460,719        | 275,971        |
| Program expenses                             | 114,471                       | 179,406        | 109,271        |
| Repairs and maintenance                      | 438,992                       | 678,992        | 438,992        |
| Replacement reserve repairs                  | 2,559                         | 63,930         | 2,559          |
| Social assistance - basic needs              | 4,892,380                     | 5,383,898      | 4,892,380      |
| Social assistance - employment & training    | 174,233                       | 465,689        | 174,234        |
| Social assistance - special needs            | 267,881                       | 582,262        | 267,881        |
| Student expenses                             | -                             | 15,300         | -              |
| Supplies                                     | 1,770,668                     | 2,689,128      | 1,629,267      |
| Telephone                                    | 76,827                        | 99,362         | 76,828         |
| Training and workshops                       | 27,537                        | 41,211         | 27,537         |
| Transfer to capital assets                   | (12,535,494)                  | (15,377,330)   | (12,665,692)   |
| Travel, meetings, per diems                  | 1,091,675                     | 1,150,313      | 1,212,966      |
| Treaty Land Entitlement                      | 59,000                        | 77,146         | 59,074         |
| Utilities                                    | 738,675                       | 780,904        | 791,191        |
| Vehicle expenses                             | 251,567                       | 417,944        | 318,952        |
| Wages and benefits                           | 3,036,818                     | 3,786,342      | 3,368,212      |
| Youth programs                               | 452,480                       | 316,670        | 368,686        |
|  | <hr/>                         | <hr/>          | <hr/>          |
|  | \$ 16,712,645                 | \$ 24,317,899  | \$ 20,053,227  |

**34. Segmented information**

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

**Treaties and Indigenous 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.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2024

**34. Segmented information, continued**

**Community Infrastructure:**

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.

**Indigenous 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.

**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.

**Hatchet Lake Denesuline Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2024*

**34. Segmented information, continued**

**First Nation Child & Family Services:**

Costs associated with the delivery of culturally appropriate prevention and well-being services for First Nation children and families on reserve and First Nations Representative Services.

**Registration and Membership:**

Costs associated with the maintenance of the band membership list, a record of everyone who is registered as a member of the Denesuline Nation under the Indian Act.

**Governance and Institutions of Governance:**

Costs associated with Governance and Institution of Government activities.

**Health Services:**

Reports on costs associated with the development of safe and healthy communities.

**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.

**Other 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.

Inter-segment transfers are recorded at their exchange amount. Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

**Schedule #1**  
**Hatchet Lake Denesuline Nation**  
**Treaties and Indigenous Government**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|                                    | 2024<br>Budget<br>(unaudited) | 2024<br>Actual      | 2023<br>Actual     |
|------------------------------------|-------------------------------|---------------------|--------------------|
| <b>Revenue</b>                     |                               |                     |                    |
| Indigenous Services Canada - fixed | \$ -                          | \$ 75,000           | \$ 120,000         |
| Other revenue                      | - -                           | 106,259             | 161,539            |
|                                    | - -                           | 181,259             | 281,539            |
| <b>Expenses</b>                    |                               |                     |                    |
| Community events                   | - -                           | 4,650               | -                  |
| Consultants and contractors        | - -                           | 12,464              | -                  |
| Postage and freight                | - -                           | 500                 | 81                 |
| Professional fees                  | - -                           | 316,705             | 173,114            |
| Supplies                           | - -                           | 11,985              | 2,796              |
| Travel, meetings, per diems        | - -                           | 124,480             | 72,052             |
| Vehicle expenses                   | - -                           | 800                 | 410                |
| Wages and benefits                 | - -                           | 33,185              | 90,107             |
|                                    | - -                           | 504,769             | 338,560            |
| <b>Current deficit</b>             | <b>\$ -</b>                   | <b>\$ (323,510)</b> | <b>\$ (57,021)</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #2**  
**Hatchet Lake Denesuline Nation**  
**Community Infrastructure**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|  | 2024<br>Budget<br>(unaudited) | 2024<br>Actual      | 2023<br>Actual      |
|--|-------------------------------|---------------------|---------------------|
| <b>Revenue</b>                                   |                               |                     |                     |
| Indigenous Services Canada - fixed               | \$ 1,817,366                  | \$ 1,848,581        | \$ 1,842,366        |
| Indigenous Services Canada - flexible            | 10,330,266                    | 14,078,669          | 10,936,730          |
| Canada Mortgage and Housing Corporation (CMHC)   | 27,569                        | -                   | 27,569              |
| Government of Saskatchewan                       | 25,000                        | -                   | 25,000              |
| Prince Albert Grand Council (PAGC)               | -                             | 1,982,607           | -                   |
| User fees  | 8,027                         | 6,349               | 8,027               |
| Other revenue                                    | 506,634                       | 557,729             | 506,634             |
| Deferred revenue - prior year                    | 12,769,951                    | 12,462,553          | 12,138,487          |
| Deferred revenue - current period                | (12,462,553)                  | (14,282,704)        | (12,462,553)        |
|  | <hr/> 13,022,260              | <hr/> 16,653,784    | <hr/> 13,022,260    |
| <b>Expenses</b>                                  |                               |                     |                     |
| Administration                                   | 15,000                        | -                   | 15,000              |
| Administration - internal allocation             | 167,377                       | 180,704             | 167,377             |
| Bank charges and interest                        | 42                            | 76                  | 42                  |
| Consultants and contractors                      | 10,537,096                    | 11,630,019          | 10,537,096          |
| Equipment lease                                  | -                             | 92,892              | -                   |
| Insurance  | 145,317                       | 110,497             | 145,317             |
| Long-term debt - principal and interest payments | 195,903                       | 259,872             | 259,049             |
| Long-term debt - principal repayment             | (189,804)                     | (191,264)           | (189,804)           |
| Materials and supplies                           | 1,850,950                     | 3,751,385           | 1,850,950           |
| Postage and freight                              | 44,468                        | 39,726              | 44,468              |
| Professional fees                                | 20,494                        | 7,812               | 20,494              |
| Repairs and maintenance                          | 428,720                       | 364,179             | 428,720             |
| Supplies   | 217,065                       | 85,775              | 217,065             |
| Telephone  | 15,308                        | 21,057              | 15,308              |
| Training and workshops                           | 4,600                         | 14,791              | 4,600               |
| Travel, meetings, per diems                      | 146,525                       | 136,807             | 146,527             |
| Utilities  | 409,293                       | 466,545             | 409,294             |
| Vehicle expenses                                 | 51,300                        | 77,756              | 51,299              |
| Wages and benefits                               | 409,910                       | 492,266             | 409,908             |
| Transfer to capital assets                       | (12,462,273)                  | (15,099,361)        | (12,462,273)        |
|  | <hr/> 2,007,291               | <hr/> 2,441,534     | <hr/> 2,070,437     |
| <b>Current surplus</b>                           | <hr/> \$ 11,014,969           | <hr/> \$ 14,212,250 | <hr/> \$ 10,951,823 |

The accompanying notes are an integral part of the financial statements

**Schedule #3**  
**Hatchet Lake Denesuline Nation**  
**Economic Development**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|                                    | 2024<br>Budget<br>(unaudited) | 2024<br>Actual | 2023<br>Actual |
|------------------------------------|-------------------------------|----------------|----------------|
| <b>Revenue</b>                     |                               |                |                |
| Indigenous Services Canada - fixed | \$ 52,552                     | \$ 32,960      | \$ 52,552      |
| Deferred revenue - prior year      | 111,743                       | 122,863        | 111,743        |
| Deferred revenue - current period  | (122,863)                     | -              | (122,863)      |
|                                    | <hr/> 41,432                  | <hr/> 155,823  | <hr/> 41,432   |
| <b>Expenses</b>                    |                               |                |                |
| Consultants and contractors        | 41,432                        | 79,336         | 41,432         |
| Economic development               | -                             | 76,487         | -              |
|                                    | <hr/> 41,432                  | <hr/> 155,823  | <hr/> 41,432   |
| <b>Current surplus</b>             | <hr/> \$ -                    | <hr/> \$ -     | <hr/> \$ -     |

The accompanying notes are an integral part of the financial statements

**Schedule #4**  
**Hatchet Lake Denesuline Nation**  
**Education**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|  | 2024<br>Budget<br>(unaudited) | 2024<br>Actual   | 2023<br>Actual   |
|--|-------------------------------|------------------|------------------|
| <b>Revenue</b>                                   |                               |                  |                  |
| Indigenous Services Canada - fixed               | \$ 1,042,707                  | \$ 919,688       | \$ 1,042,707     |
| Athabasca Denesuline Education Authority (ADEA)  | 345,047                       | 184,856          | 345,047          |
| Northern Sport Culture & Recreation District     | 55,918                        | 84,300           | 55,918           |
| Other revenue                                    | 86,693                        | -                | 86,693           |
| Deferred revenue - prior year                    | 237,323                       | 193,057          | 237,323          |
| Deferred revenue - current period                | (193,057)                     | (316,740)        | (193,057)        |
|  | 1,574,631                     | 1,065,161        | 1,574,631        |
| <b>Expenses</b>                                  |                               |                  |                  |
| Consultants and contractors                      | 78,902                        | 12,620           | 78,902           |
| Equipment lease                                  | 13,261                        | -                | 13,261           |
| Honorariums                                      | 800                           | -                | 800              |
| Long-term debt - principal and interest payments | 343,260                       | 68,931           | 337,555          |
| Long-term debt - principal repayment             | (317,500)                     | (55,000)         | (317,500)        |
| Post Secondary - administration                  | 146,362                       | 84,385           | 146,363          |
| Post Secondary - entrance preparation            | 300                           | 23,433           | 300              |
| Post Secondary - student expenses                | 778,192                       | 588,398          | 778,192          |
| Postage and freight                              | 59                            | -                | 59               |
| Supplies   | 9,532                         | 17,908           | 9,532            |
| Travel, meetings, per diems                      | 46,245                        | 10,629           | 46,245           |
| Utilities  | 309,120                       | 215,716          | 358,854          |
| Vehicle expenses                                 | 1,807                         | -                | 1,807            |
| Wages and benefits                               | 44,824                        | 11,613           | 44,823           |
| Youth programs                                   | 320                           | -                | 320              |
| Transfer to capital assets                       | -                             | (6,061)          | -                |
|  | 1,455,484                     | 972,572          | 1,499,513        |
| <b>Current surplus</b>                           | <b>\$ 119,147</b>             | <b>\$ 92,589</b> | <b>\$ 75,118</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #5**  
**Hatchet Lake Denesuline Nation**  
**Indigenous Government Support**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|  | 2024<br>Budget<br>(unaudited) | 2024<br>Actual | 2023<br>Actual |
|--|-------------------------------|----------------|----------------|
| <b>Revenue</b>                                   |                               |                |                |
| Indigenous Services Canada - grant               | \$ 1,281,395                  | \$ 1,324,702   | \$ 1,281,395   |
| Indigenous Services Canada - flexible            | 116,695                       | 120,375        | 728,702        |
| ISC - prior period revenue (recovery)            | 18,295                        | -              | 18,295         |
| Other revenue                                    | 7,500                         | -              | 7,500          |
| Deferred revenue - prior year                    | 135,742                       | 5,308          | 763,990        |
| Deferred revenue - current period                | (87,998)                      | -              | (87,998)       |
|  | 1,471,629                     | 1,450,385      | 2,711,884      |
| <b>Expenses</b>                                  |                               |                |                |
| Administration - internal allocation             | -                             | -              | 91,801         |
| Bank charges and interest                        | 8,113                         | 5,102          | 8,113          |
| Community events                                 | 6,900                         | 7,920          | 6,900          |
| Consultants and contractors                      | 119,508                       | 166,706        | 813,517        |
| Cultural programs                                | -                             | 644            | -              |
| Election   | 44,354                        | 47,974         | 44,354         |
| Equipment lease                                  | 11,399                        | 73,968         | 11,399         |
| Equipment purchases                              | 533                           | 5,340          | 100,533        |
| Honorariums                                      | 3,150                         | 3,000          | 3,150          |
| Long-term debt - principal and interest payments | 182,579                       | -              | -              |
| Long-term debt - principal repayment             | (100,002)                     | -              | -              |
| Office supplies                                  | 63,882                        | 12,025         | 63,882         |
| Postage and freight                              | 7,757                         | 14,143         | 11,806         |
| Prior period adjustment - ISC reconciliation     | -                             | (82,690)       | -              |
| Professional fees                                | 68,814                        | 132,244        | 68,814         |
| Supplies   | 204,897                       | 130,175        | 420,877        |
| Telephone  | 39,641                        | 47,614         | 39,641         |
| Training and workshops                           | 9,537                         | 4,307          | 9,537          |
| Travel, meetings, per diems                      | 423,648                       | 389,542        | 472,765        |
| Utilities  | 6,199                         | -              | 6,199          |
| Vehicle expenses                                 | 12,214                        | 20,885         | 12,214         |
| Wages and benefits                               | 699,776                       | 762,937        | 785,078        |
| Transfer to capital assets                       | -                             | (7,200)        | (100,000)      |
|  | 1,812,899                     | 1,734,636      | 2,870,580      |
| <b>Current deficit before transfers</b>          | (341,270)                     | (284,251)      | (158,696)      |
| <b>Transfers</b>                                 |                               |                |                |
| Transfer - Other Band Programs                   | -                             | 350,695        | 341,272        |
| <b>Current surplus (deficit)</b>                 | \$ (341,270)                  | \$ 66,444      | \$ 182,576     |

The accompanying notes are an integral part of the financial statements

**Schedule #6**  
**Hatchet Lake Denesuline Nation**  
**Land Management**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|                                    | 2024<br>Budget<br>(unaudited) | 2024<br>Actual | 2023<br>Actual |
|------------------------------------|-------------------------------|----------------|----------------|
| <b>Revenue</b>                     |                               |                |                |
| Indigenous Services Canada - fixed | \$ 12,464                     | \$ -           | \$ 12,464      |
| <b>Expenses</b>                    |                               |                |                |
| Consultants and contractors        | 12,464                        | -              | 12,464         |
| <b>Current surplus</b>             | <b>\$ -</b>                   | <b>\$ -</b>    | <b>\$ -</b>    |

The accompanying notes are an integral part of the financial statements

**Schedule #7**  
**Hatchet Lake Denesuline Nation**  
**Social Development**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|  | 2024<br>Budget<br>(unaudited) | 2024<br>Actual        | 2023<br>Actual      |
|--|-------------------------------|-----------------------|---------------------|
| <b>Revenue</b>                               |                               |                       |                     |
| Indigenous Services Canada - fixed           | \$ 597,887                    | \$ 597,887            | \$ 597,887          |
| Indigenous Services Canada - set             | 165,512                       | 169,454               | 165,512             |
| Indigenous Services Canada - flexible        | 5,915,943                     | 6,102,792             | 5,915,943           |
| ISC - prior period revenue (recovery)        | -                             | -                     | 3,926               |
| ISC - current year receivable (payable)      | -                             | (31,272)              | -                   |
| Deferred revenue - prior year                | 1,908,085                     | 4,166,710             | 1,908,085           |
| Deferred revenue - current period            | (2,750,871)                   | (5,052,481)           | (2,750,871)         |
|  | <b>5,836,556</b>              | <b>5,953,090</b>      | <b>5,840,482</b>    |
| <b>Expenses</b>                              |                               |                       |                     |
| Assistance to band members                   | 165,512                       | 138,182               | 194,568             |
| Bank charges and interest                    | 1,592                         | 1,455                 | 1,592               |
| Community events                             | 600                           | 1,250                 | 600                 |
| Consultants and contractors                  | 55,137                        | 27,435                | 55,137              |
| Office supplies                              | 7,844                         | 20,005                | 7,844               |
| Post Secondary - student expenses            | -                             | 11,350                | -                   |
| Postage and freight                          | 22,147                        | 40,749                | 22,147              |
| Prior period adjustment - ISC reconciliation | -                             | 1,415,839             | -                   |
| Social assistance - basic needs              | 4,892,380                     | 5,383,898             | 4,892,380           |
| Social assistance - employment & training    | 174,233                       | 465,689               | 174,234             |
| Social assistance - special needs            | 267,881                       | 582,262               | 267,881             |
| Student expenses                             | -                             | 15,300                | -                   |
| Supplies                                     | 46,981                        | 53,502                | 46,981              |
| Telephone                                    | 2,100                         | 1,650                 | 2,100               |
| Training and workshops                       | 13,400                        | 19,484                | 13,400              |
| Travel, meetings, per diems                  | 74,726                        | 49,336                | 74,726              |
| Utilities                                    | 1,487                         | 3,346                 | 1,487               |
| Vehicle expenses                             | 3,633                         | 50,103                | 3,633               |
| Wages and benefits                           | 204,755                       | 232,516               | 204,756             |
| Transfer to capital assets                   | (10,462)                      | (29,343)              | (10,462)            |
|  | <b>5,923,946</b>              | <b>8,484,008</b>      | <b>5,953,004</b>    |
| <b>Current deficit</b>                       | <b>\$ (87,390)</b>            | <b>\$ (2,530,918)</b> | <b>\$ (112,522)</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #8**  
**Hatchet Lake Denesuline Nation**  
**First Nation Child & Family Services**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|                                       | 2024<br>Budget<br>(unaudited) | 2024<br>Actual    | 2023<br>Actual  |
|---------------------------------------|-------------------------------|-------------------|-----------------|
| <b>Revenue</b>                        |                               |                   |                 |
| Indigenous Services Canada - flexible | \$ 2,166,829                  | \$ 4,884,631      | \$ 2,166,829    |
| Deferred revenue - prior year         | -                             | 1,505,946         | -               |
| Deferred revenue - current period     | (1,220,746)                   | (3,360,786)       | (1,505,946)     |
|                                       | <b>946,083</b>                | <b>3,029,791</b>  | <b>660,883</b>  |
| <b>Expenses</b>                       |                               |                   |                 |
| Administration - internal allocation  | -                             | 460,741           | -               |
| Assistance to band members            | 9,150                         | 2,370             | 9,150           |
| Community events                      | -                             | 268,439           | -               |
| Community well-being                  | 25,000                        | 51,142            | -               |
| Consultants and contractors           | 44,205                        | 295,130           | 44,205          |
| Cultural programs                     | 35,000                        | 292,386           | -               |
| Office supplies                       | 2,000                         | 2,878             | 2,000           |
| Postage and freight                   | 11,484                        | 55,716            | 11,484          |
| Prevention operations                 | -                             | 31,839            | -               |
| Program expenses                      | 5,200                         | 4,700             | -               |
| Supplies                              | 297,824                       | 713,300           | 222,824         |
| Telephone                             | 1,200                         | 7,176             | 1,200           |
| Training and workshops                | -                             | 2,630             | -               |
| Travel, meetings, per diems           | 96,217                        | 172,980           | 81,217          |
| Utilities                             | 8,713                         | 37,938            | 8,713           |
| Vehicle expenses                      | 4,076                         | 91,116            | 4,076           |
| Wages and benefits                    | 85,658                        | 361,842           | 35,658          |
| Youth programs                        | 320,356                       | 177,469           | 240,356         |
| Transfer to capital assets            | (6,979)                       | (118,679)         | (6,979)         |
|                                       | <b>939,104</b>                | <b>2,911,113</b>  | <b>653,904</b>  |
| <b>Current surplus</b>                | <b>\$ 6,979</b>               | <b>\$ 118,678</b> | <b>\$ 6,979</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #9**  
**Hatchet Lake Denesuline Nation**  
**Registration & Membership**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|                                    | 2024<br>Budget<br>(unaudited) | 2024<br>Actual | 2023<br>Actual |
|------------------------------------|-------------------------------|----------------|----------------|
| <b>Revenue</b>                     |                               |                |                |
| Indigenous Services Canada - fixed | \$ 19,974                     | \$ 14,107      | \$ 19,974      |
| <b>Expenses</b>                    |                               |                |                |
| Office supplies                    | -                             | -              | 150            |
| Wages and benefits                 | 19,974                        | 14,107         | 19,824         |
|                                    | 19,974                        | 14,107         | 19,974         |
| <b>Current surplus</b>             | <b>\$ -</b>                   | <b>\$ -</b>    | <b>\$ -</b>    |

The accompanying notes are an integral part of the financial statements

**Schedule #10**  
**Hatchet Lake Denesuline Nation**  
**Governance and Institutions of Governance**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|                                       | 2024<br>Budget<br>(unaudited) | 2024<br>Actual | 2023<br>Actual |
|---------------------------------------|-------------------------------|----------------|----------------|
| <b>Revenue</b>                        |                               |                |                |
| Indigenous Services Canada - flexible | \$ 85,000                     | \$ 63,000      | \$ 85,000      |
| Deferred revenue - prior year         | 165,181                       | 54,066         | 165,181        |
| Deferred revenue - current period     | (54,066)                      | (18,085)       | (54,066)       |
|                                       | <b>196,115</b>                | <b>98,981</b>  | <b>196,115</b> |
| <b>Expenses</b>                       |                               |                |                |
| Administration - internal allocation  | 8,500                         | 6,300          | 8,500          |
| Community engagement                  | 600                           | 1,600          | 600            |
| Consultants and contractors           | 73,393                        | 8,417          | 73,393         |
| Cultural programs                     | 500                           | -              | 500            |
| Supplies                              | 3,600                         | 1,050          | 3,600          |
| Telephone                             | 1,700                         | 900            | 1,700          |
| Travel, meetings, per diems           | 48,978                        | 38,940         | 48,978         |
| Wages and benefits                    | 58,844                        | 41,775         | 58,845         |
|                                       | <b>196,115</b>                | <b>98,982</b>  | <b>196,116</b> |
| <b>Current deficit</b>                | <b>\$ -</b>                   | <b>\$ (1)</b>  | <b>\$ (1)</b>  |

The accompanying notes are an integral part of the financial statements

**Schedule #11**  
**Hatchet Lake Denesuline Nation**  
**Health Services**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|   | 2024<br>Budget<br>(unaudited) | 2024<br>Actual    | 2023<br>Actual    |
|---|-------------------------------|-------------------|-------------------|
| <b>Revenue</b>                                    |                               |                   |                   |
| Indigenous Services Canada - fixed                | \$ 237,657                    | \$ -              | \$ 237,657        |
| Indigenous Services Canada - set                  | 90,000                        | 336,586           | 90,000            |
| Indigenous Services Canada - flexible             | 671,194                       | 1,725,858         | 671,194           |
| Prince Albert Grand Council (PAGC)                | 2,092,560                     | 2,553,241         | 2,092,557         |
| Other revenue                                     | 1,600                         | 24,732            | 1,600             |
| Deferred revenue - prior year                     | 966,193                       | 1,413,544         | 1,178,624         |
| Deferred revenue - current period                 | (1,275,151)                   | (1,642,442)       | (1,413,543)       |
|   | <b>2,784,053</b>              | <b>4,411,519</b>  | <b>2,858,089</b>  |
| <b>Expenses</b>                                   |                               |                   |                   |
| Administration - internal allocation              | 144,480                       | 195,778           | 65,702            |
| Assistance to band members                        | 215,389                       | 133,040           | 101,513           |
| Bank charges and interest                         | 439                           | 438               | 439               |
| Community events                                  | 11,312                        | 4,032             | 11,312            |
| Consultants and contractors                       | 41,873                        | 134,670           | 60,474            |
| Cultural programs                                 | 11,400                        | -                 | 11,400            |
| ELCC expense                                      | -                             | 3,932             | -                 |
| Equipment lease                                   | 2,955                         | 10,147            | 2,955             |
| Honorariums                                       | 16,895                        | -                 | 600               |
| IELCC expense                                     | -                             | 300               | -                 |
| Office supplies                                   | 4,846                         | -                 | 4,846             |
| Postage and freight                               | 13,912                        | 4,590             | 20,701            |
| Repairs and maintenance                           | -                             | 1,559             | -                 |
| Supplies  | 906,491                       | 1,665,390         | 444,747           |
| Telephone   | 9,978                         | 18,415            | 9,978             |
| Travel, meetings, per diems                       | 203,107                       | 192,632           | 203,108           |
| Utilities   | 3,863                         | 7,359             | 3,863             |
| Vehicle expenses                                  | 89,369                        | 79,010            | 72,484            |
| Wages and benefits                                | 1,078,753                     | 1,321,183         | 1,135,278         |
| Youth programs                                    | 110,271                       | 139,200           | 110,271           |
| Transfer to capital assets                        | (35,999)                      | (116,686)         | (35,999)          |
|   | <b>2,829,334</b>              | <b>3,794,989</b>  | <b>2,223,672</b>  |
| <b>Current surplus (deficit) before transfers</b> | <b>(45,281)</b>               | <b>616,530</b>    | <b>634,417</b>    |
| <b>Transfers</b>                                  |                               |                   |                   |
| Transfer - Other Band Programs                    | -                             | (485,373)         | (450,000)         |
| <b>Current surplus (deficit)</b>                  | <b>\$ (45,281)</b>            | <b>\$ 131,157</b> | <b>\$ 184,417</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #12**  
**Hatchet Lake Denesuline Nation**  
**CMHC Housing**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|  | 2024<br>Budget<br>(unaudited) | 2024<br>Actual      | 2023<br>Actual    |
|--|-------------------------------|---------------------|-------------------|
| <b>Revenue</b>                                 |                               |                     |                   |
| Canada Mortgage and Housing Corporation (CMHC) | \$ 597,884                    | \$ 635,365          | \$ 597,883        |
| Rental revenue                                 | 232,657                       | 227,245             | 232,657           |
| Other revenue                                  | -                             | 12,530              | -                 |
|  | <b>830,541</b>                | <b>875,140</b>      | <b>830,540</b>    |
| <b>Expenses</b>                                |                               |                     |                   |
| Bank charges and interest                      | 1,240                         | 17,470              | 1,240             |
| Consultants and contractors                    | -                             | 36,200              | -                 |
| Insurance                                      | 87,989                        | 135,100             | 87,989            |
| Mortgage payments - principle and interest     | 589,968                       | 616,977             | 589,616           |
| Mortgage payments - principle repayment        | (485,397)                     | (499,959)           | (485,397)         |
| Postage and freight                            | -                             | 16,956              | -                 |
| Professional fees                              | 13,550                        | 3,960               | 13,550            |
| Repairs and maintenance                        | 10,272                        | 313,255             | 10,272            |
| Replacement reserve repairs                    | 2,559                         | 63,930              | 2,559             |
| Supplies                                       | 13,405                        | 3,590               | 13,404            |
| Telephone                                      | 4,050                         | 2,550               | 4,050             |
| Vehicle expenses                               | 11,236                        | 3,318               | 11,236            |
| Wages and benefits                             | 90,546                        | 312,926             | 90,545            |
| Transfer to capital assets                     | (19,781)                      | -                   | (19,781)          |
|  | <b>319,637</b>                | <b>1,026,273</b>    | <b>319,283</b>    |
| <b>Current surplus (deficit)</b>               | <b>\$ 510,904</b>             | <b>\$ (151,133)</b> | <b>\$ 511,257</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #13**  
**Hatchet Lake Denesuline Nation**  
**Other Band Programs**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|  | 2024<br>Budget<br>(unaudited) | 2024<br>Actual      | 2023<br>Actual      |
|--|-------------------------------|---------------------|---------------------|
| <b>Revenue</b>                                     |                               |                     |                     |
| First Nations Trust (FNT)                          | \$ 706,749                    | \$ 939,729          | \$ 706,749          |
| Prince Albert Grand Council (PAGC)                 | 169,024                       | 176,639             | 196,724             |
| Federation of Sovereign Indigenous Nations (FSIN)  | 17,000                        | -                   | 17,000              |
| Northern Lights Community Development Corp (NLCDC) | 107,500                       | 207,300             | 107,500             |
| Equity pickup (losses) - related business entities | -                             | 4,133,277           | 3,386,174           |
| Impact Benefit Agreement (IBA)                     | 107,760                       | 173,847             | 107,760             |
| Rental revenue                                     | 29,120                        | 28,800              | 29,120              |
| Other revenue                                      | 626,970                       | 767,264             | 540,963             |
|  | 1,764,123                     | 6,426,856           | 5,091,990           |
| <b>Expenses</b>                                    |                               |                     |                     |
| Administration - internal allocation               | (320,357)                     | (843,523)           | (333,380)           |
| Assistance to band members                         | 272,210                       | 203,986             | 272,210             |
| Bad debts (recovery)                               | 32,660                        | (8,438)             | 32,659              |
| Bank charges and interest                          | 75                            | 42                  | 71                  |
| Community events                                   | 80,210                        | -                   | 338,190             |
| Consultants and contractors                        | 36,575                        | 15,448              | 206,298             |
| Cultural programs                                  | 56,800                        | -                   | 1,800               |
| First Nation Trust expenses                        | 43,948                        | -                   | 43,948              |
| Long-term debt - principal and interest payments   | 100,000                       | 222,565             | 225,138             |
| Long-term debt - principal repayment               | (100,000)                     | (200,002)           | (200,002)           |
| PAGC paid expenses directly                        | 207,915                       | 97,115              | 207,913             |
| Postage and freight                                | 7,463                         | -                   | 8,272               |
| Program expenses                                   | 109,271                       | 174,706             | 109,271             |
| Supplies   | 70,873                        | 6,448               | 247,439             |
| Telephone  | 2,850                         | -                   | 2,850               |
| Travel, meetings, per diems                        | 52,229                        | 34,966              | 67,350              |
| Treaty Land Entitlement                            | 59,000                        | 77,146              | 59,074              |
| Utilities  | -                             | 50,000              | 2,782               |
| Vehicle expenses                                   | 77,932                        | 94,956              | 161,794             |
| Wages and benefits                                 | 343,778                       | 201,992             | 493,390             |
| Youth programs                                     | 21,533                        | -                   | 17,739              |
| Transfer to capital assets                         | -                             | -                   | (30,199)            |
|  | 1,154,965                     | 127,407             | 1,934,607           |
| <b>Current surplus before transfers</b>            | <b>609,158</b>                | <b>6,299,449</b>    | <b>3,157,383</b>    |
| <b>Transfers</b>                                   |                               |                     |                     |
| Transfer - Indigenous Government Support           | -                             | (350,695)           | (341,272)           |
| Transfer - Health Services                         | -                             | 485,373             | 450,000             |
| <b>Current surplus</b>                             | <b>\$ 609,158</b>             | <b>\$ 6,434,127</b> | <b>\$ 3,266,111</b> |

The accompanying notes are an integral part of the financial statements

**Schedule #14**  
**Hatchet Lake Denesuline Nation**  
**Amortization**  
**Schedule of Operations**  
*For the year ended March 31, 2024*

|                                      | 2024<br>Budget<br>(unaudited) | 2024<br>Actual   | 2023<br>Actual   |
|--------------------------------------|-------------------------------|------------------|------------------|
| <b>Revenue</b>                       | \$ -                          | \$ -             | \$ -             |
| <b>Expenses</b>                      |                               |                  |                  |
| Community Infrastructure             | -                             | 1,256,584        | 1,175,618        |
| Education                            | -                             | 187,715          | 210,145          |
| Indigenous Government Support        | -                             | 22,616           | 25,521           |
| Social Development                   | -                             | 8,718            | -                |
| First Nation Child & Family Services | -                             | 17,072           | 1,893            |
| Health Services                      | -                             | 42,210           | 24,056           |
| CMHC Housing                         | -                             | 446,926          | 421,162          |
| Other Band Programs                  | -                             | 69,844           | 61,287           |
|                                      | -                             | <u>2,051,685</u> | <u>1,919,682</u> |
| <b>Current deficit</b>               | \$ -                          | \$ (2,051,685)   | \$ (1,919,682)   |

The accompanying notes are an integral part of the financial statements