

**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:

Signature on file
Hatchet Lake Denesuline Nation

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

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
Financial Assets		
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
	<u>65,709,583</u>	<u>57,000,016</u>
Liabilities		
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
	<u>34,439,126</u>	<u>28,423,957</u>
Net financial assets	<u>31,270,457</u>	<u>28,576,059</u>
Non-financial Assets		
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
	<u>78,198,837</u>	<u>64,895,239</u>
Accumulated Surplus (Note 19)	<u>\$109,469,294</u>	<u>\$ 93,471,298</u>

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
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
Expenses			
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
Current surplus	\$ 11,787,215	\$ 15,997,999	\$ 13,089,058

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
Surplus at beginning of year	\$ 93,471,298	\$ 80,382,240
Current surplus	15,997,999	13,089,058
Surplus at end of year	\$109,469,297	\$ 93,471,298

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

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
Cash flows from		
Operating activities		
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)
	13,916,407	11,622,566
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	155,151	(5,863)
	16,515,587	10,721,998
Capital activities		
Acquisition of capital assets	(15,377,330)	(12,665,692)
Financing activities		
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)
	(946,225)	(745,982)
Investing activities		
Contributions to incorporated businesses	(1,000,000)	-
Withdrawals from business partnerships	-	40,000
Restricted cash - CMHC	101,673	(3,837)
	(898,327)	36,163
Increase in cash and cash equivalents	(706,295)	(2,653,513)
Cash & cash equivalents, beginning of year	14,431,806	17,085,319
Cash & cash equivalents, end of year	\$ 13,725,511	\$ 14,431,806
Represented by		
Cash & cash equivalents	\$ 5,704,757	\$ 5,649,142
Restricted cash - capital projects	8,020,754	8,839,763
Bank indebtedness	-	(57,099)
	\$ 13,725,511	\$ 14,431,806

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 (PAGC Management Co. Ltd. or "PAGC"). The PAGC is an organization of twelve Nations. The PAGC is mandated to enhance the services provided to the member Nations.

The 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.

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.

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
March 31, 2024

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
Unrestricted cash		
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
	<u>5,704,757</u>	<u>5,649,142</u>
Restricted cash - capital projects		
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
	<u>8,020,754</u>	<u>8,839,763</u>
Restricted cash - CMHC		
CMHC replacement reserve	768,292	8,426
CMHC replacement reserve - GIC's	102,283	963,822
	<u>870,575</u>	<u>972,248</u>

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

3. Cash & cash equivalents, continued

Trust funds held by federal government

Capital account	87	87
Revenue account	25,138	23,930
	<u>25,225</u>	<u>24,017</u>
	<u>\$ 14,621,311</u>	<u>\$ 15,485,170</u>

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

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

5. Accounts receivable

	2024	2023
Due from members		
Loans and advances to members - band general	\$ 156,317	\$ 191,648
Loans and advances to members - social development	281,739	277,302
Total due from members	438,056	468,950
Due from others		
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
Total due from others	3,787,066	2,209,208
Due from Government and other government organizations		
Indigenous Services Canada	3,209,426	341,332
Canada Mortgage & Housing Corporation - subsidy	51,818	50,374
Total due from government and other government organizations	3,261,244	391,706
	7,486,366	3,069,864
Less: allowance for doubtful accounts	(386,735)	(411,034)
Total accounts receivable	\$ 7,099,631	\$ 2,658,830

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	-
Total accounts receivable - ISC	\$ 3,209,426	\$ 341,332

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	-
	<u>\$ 43,988,641</u>	<u>\$ 38,855,364</u>

	Investment, start of year	Contributions	Withdrawals	Share of earnings (loss)	Investment, 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
	<u>\$ 38,855,364</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 4,133,277</u>	<u>\$ 43,988,641</u>

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		
	HL Economic Development Corporation	Hatchet Lake Development LP	Waterfound Development LP	Waterfound Development Corp	Total 2024
	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
Total assets	\$ 198,829	\$ 43,040,487	\$ 4,171,421	\$ 8,520	\$ 47,419,257
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
Total liabilities	-	1,441,653	5,000	3,016	1,449,669
Equity	198,829	41,598,834	4,166,421	5,504	45,969,588
Total liabilities and equity	\$ 198,829	\$ 43,040,487	\$ 4,171,421	\$ 8,520	\$ 47,419,257

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

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
Due to members		
Wages payable	\$ 26,525	\$ 26,124
Due to others		
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
Total due to others	2,527,514	1,651,755
Due to government and other government organizations		
Indigenous Services Canada	37,708	49,410
Canada Revenue Agency - payroll remittance	59,466	142,923
Total due to government and other government organizations	97,174	192,333
	\$ 2,651,213	\$ 1,870,212

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

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, 2023	Funding received, 2024	Revenue recognized, 2024	March 31, 2024
Federal government				
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, 2023	Funding received, 2024	Revenue recognized, 2024	March 31, 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
	17,765,501	28,713,683	(25,227,633)	21,251,551
Other				
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
	825,396	3,915,109	(1,318,819)	3,421,686
Total	\$ 18,590,897	\$ 32,628,792	\$ (26,546,452)	\$ 24,673,237

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

Hatchet Lake Denesuline Nation
Notes to Consolidated Financial Statements
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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 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 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 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 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.	132,916	187,916
	1,119,021	1,546,245
Current portion	1,119,021	1,546,245
	\$ -	\$ -

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	
	\$ 1,119,021	
	2024	2023
Interest expense for the year on loans payable	\$ 100,464	\$ 108,336

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

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
Current portion	23,364	23,237
	<u>\$ 24,158</u>	<u>\$ 43,326</u>
Principal portion of long-term debt due within the next five years:		
2025	\$ 23,364	
2026	23,519	
2027	639	
	<u>\$ 47,522</u>	
	2024	2023
Interest expense for the year on long-term debt	<u>4,638</u>	<u>6,099</u>

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

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
Notes to Consolidated Financial Statements
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16. Capital assets

	Cost				Accumulated amortization			
	Balance, beginning of year	Additions	Disposals/ Transfers	Balance, end of year	Balance, beginning of year	Amortization	Balance, 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			
	Balance, beginning of year	Additions	Disposals/ Transfers	Balance, end of year	Balance, beginning of year	Amortization	Balance, 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
	<u>\$ 116,272</u>	<u>\$ 77,470</u>

18. Inventory

	2024	2023
Propane	\$ 344,949	\$ 405,797

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
	<u>116,033,846</u>	<u>97,149,279</u>
<u>Unrestricted</u>		
Operating deficit	(6,564,552)	(3,677,981)
	<u>\$109,469,294</u>	<u>\$ 93,471,298</u>

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
Notes to Consolidated Financial Statements
March 31, 2024

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
	<u>\$ 32,263,019</u>	<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
Total	<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
Notes to Consolidated Financial Statements
March 31, 2024

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.

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
March 31, 2024

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 Budget (unaudited)	2024 Actual	2023 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 Budget (unaudited)	2024 Actual	2023 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
	\$ 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.

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.

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
Indigenous Services Canada - fixed	\$ -	\$ 75,000	\$ 120,000
Other revenue	-	106,259	161,539
	-	181,259	281,539
Expenses			
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
Current deficit	\$ -	\$ (323,510)	\$ (57,021)

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
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)
	13,022,260	16,653,784	13,022,260
Expenses			
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)
	2,007,291	2,441,534	2,070,437
Current surplus	\$ 11,014,969	\$ 14,212,250	\$ 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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
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)
	41,432	155,823	41,432
Expenses			
Consultants and contractors	41,432	79,336	41,432
Economic development	-	76,487	-
	41,432	155,823	41,432
Current surplus	\$ -	\$ -	\$ -

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
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
Expenses			
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
Current surplus	\$ 119,147	\$ 92,589	\$ 75,118

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
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
Expenses			
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
Current deficit before transfers	(341,270)	(284,251)	(158,696)
Transfers			
Transfer - Other Band Programs	-	350,695	341,272
Current surplus (deficit)	\$ (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 Budget (unaudited)		2024 Actual		2023 Actual
Revenue					
Indigenous Services Canada - fixed	\$ 12,464	\$ -		\$ 12,464	
Expenses					
Consultants and contractors	12,464	-		12,464	
Current surplus	\$ -	\$ -		\$ -	

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
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)
	5,836,556	5,953,090	5,840,482
Expenses			
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)
	5,923,946	8,484,008	5,953,004
Current deficit	\$ (87,390)	\$ (2,530,918)	\$ (112,522)

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
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)
	946,083	3,029,791	660,883
Expenses			
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)
	939,104	2,911,113	653,904
Current surplus	\$ 6,979	\$ 118,678	\$ 6,979

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

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
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)
	196,115	98,981	196,115
Expenses			
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
	196,115	98,982	196,116
Current deficit	\$ -	\$ (1)	\$ (1)

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
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)
	2,784,053	4,411,519	2,858,089
Expenses			
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)
	2,829,334	3,794,989	2,223,672
Current surplus (deficit) before transfers	(45,281)	616,530	634,417
Transfers			
Transfer - Other Band Programs	-	(485,373)	(450,000)
Current surplus (deficit)	\$ (45,281)	\$ 131,157	\$ 184,417

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
Canada Mortgage and Housing Corporation (CMHC)	\$ 597,884	\$ 635,365	\$ 597,883
Rental revenue	232,657	227,245	232,657
Other revenue	-	12,530	-
	830,541	875,140	830,540
Expenses			
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)
	319,637	1,026,273	319,283
Current surplus (deficit)	\$ 510,904	\$ (151,133)	\$ 511,257

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue			
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
Expenses			
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
Current surplus before transfers	609,158	6,299,449	3,157,383
Transfers			
Transfer - Indigenous Government Support	-	(350,695)	(341,272)
Transfer - Health Services	-	485,373	450,000
Current surplus	\$ 609,158	\$ 6,434,127	\$ 3,266,111

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 Budget (unaudited)	2024 Actual	2023 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
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
	-	2,051,685	1,919,682
Current deficit	\$ -	\$ (2,051,685)	\$ (1,919,682)

The accompanying notes are an integral part of the financial statements