



Buffalo River Dene Nation
Consolidated Financial Statements
March 31, 2022



Buffalo River Dene Nation

Contents

For the year ended March 31, 2022

Page

Management's Responsibility

Independent Auditor's Report

Consolidated Financial Statements

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

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

Schedules

Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	17
Schedule 2 - Schedule of Consolidated Expenses by Object.....	18
Schedule 3 - Segment Revenues and Expenses and Surplus (Deficit) - Administration.....	19
Schedule 4 - Segment Revenues and Expenses and Surplus (Deficit) - Community Infrastructure.....	20
Schedule 5 - Segment Revenues and Expenses and Surplus (Deficit) - Education.....	21
Schedule 6 - Segment Revenues and Expenses and Surplus (Deficit) - Health.....	22
Schedule 7 - Segment Revenues and Expenses and Surplus (Deficit) - Capital.....	23
Schedule 8 - Segment Revenues and Expenses and Surplus (Deficit) - Other Programs.....	24
Schedule 9 - Segment Revenues and Expenses and Surplus (Deficit) - Social Development.....	25

Management's Responsibility



To the Members of Buffalo River Dene Nation:

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

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

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

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

October 28, 2022

Signed by: Kelly Montgrand

Administrator

Independent Auditor's Report

To the Members of Buffalo River Dene Nation:

Opinion

We have audited the consolidated financial statements of Buffalo River Dene Nation (the "Dene Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows, and the related schedules 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 Dene Nation as at March 31, 2022, and the results of its consolidated operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

Independent Auditor's Report *(continued from previous page)*

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saskatoon, Saskatchewan
October 28, 2022

MNP LLP

Chartered Professional Accountants

MNP



Buffalo River Dene Nation

Consolidated Statement of Financial Position

As at March 31, 2022

	2022	2021
Financial assets		
Current		
Cash and cash equivalents	1,286,487	1,973,595
Accounts receivable (Note 3)	660,530	490,791
Restricted cash (Note 4)	6,793,447	1,376,557
Cold Lake Air Weapons Range settlement receivable (Note 19)	-	60,500,000
	8,740,464	64,340,943
Portfolio investments (Note 5)	515,342	8,342
Advances to Buffalo River Mini Mart & Gas Bar Inc. (Note 6)	70,238	67,700
Investments in Buffalo River Mini Mart & Gas Bar Inc. (Note 7)	592,113	758,441
Funds held in Ottawa Trust (Note 8)	64,594	62,528
Restricted cash (Note 4)	783,755	704,870
Total financial assets	10,766,506	65,942,824
Liabilities		
Current		
Accounts payable and accruals	690,101	1,079,295
Deferred revenue (Note 10)	10,272,808	4,068,371
Advances from Buffalo River Mini Mart & Gas Bar Inc.	-	12,722
Due to Cold Lake Air Weapons Range Trust Account (Note 19)	-	60,394,119
Current portion of long-term debt (Note 11)	1,036,000	1,038,000
Current portion of capital lease obligations (Note 12)	50,600	47,400
	12,049,509	66,639,907
Long-term debt (Note 11)	14,840,064	13,103,677
Capital lease obligations (Note 12)	279,814	330,448
Total financial liabilities	27,169,387	80,074,032
Net debt	(16,402,881)	(14,131,208)
Non-financial assets		
Tangible capital assets (Note 13)	42,557,958	35,993,104
Accumulated surplus (Note 14)	26,155,077	21,861,896

Approved by:

Signed by: Norma Catarat

Chief

Signed by: Dallas Billette

Councillor



Buffalo River Dene Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2022

	<i>Schedules</i>	2022 Budget (Note 17)	2022 Actual	<i>2021 Actual</i>
Revenues				
Indigenous Services Canada (Note 15)		19,156,022	13,613,468	11,907,868
MLTC Program Services Inc.		1,641,916	3,100,379	3,245,034
Meadow Lake Health & Social Development Authority Inc.		2,782,549	3,094,688	2,753,453
Meadow Lake Tribal Council CFS Inc.		626,961	570,291	283,266
Northern Inter-Tribal Health Authority		22,800	2,104	24,911
Canada Mortgage and Housing Corporation		-	431,823	417,892
NexGen Energy Inc.		439,651	354,651	28,220
Investment income		1,117,222	1,636,846	246,391
Rental income		293,478	414,647	321,925
Other revenue		249,219	322,703	331,561
First Nations Trust		255,994	255,994	325,722
Government of Saskatchewan		48,558	63,818	61,404
Northern Sports, Culture & Recreation District		53,493	53,493	53,771
Northern Lights Community Development Corporation		(33,839)	22,431	70,381
Expense recoveries		-	-	19,593
Earnings from investment in Nation business entities		12,624	(16,328)	273,642
		26,666,648	23,921,008	20,365,034
Program expenses				
Administration	3	995,161	1,755,164	817,424
Community Infrastructure	4	1,782,937	1,251,579	1,301,398
Education	5	5,756,092	5,048,284	5,004,680
Health	6	3,638,339	5,303,686	5,194,536
Capital	7	8,950,820	3,194,288	3,014,338
Other Programs	8	447,682	1,526,280	2,090,621
Social Development	9	284,996	1,575,212	1,811,287
		21,856,027	19,654,493	19,234,284
Annual surplus before other income (expense)		4,810,621	4,266,515	1,130,750
Other income (expense)				
Gain on disposal of capital assets		-	26,666	287,164
Contribution to Cold Lake Air Weapons Range Trust (Note 19)		-	-	(60,394,119)
Cold Lake Air Weapons Range Settlement (Note 19)		-	-	60,500,000
Annual Surplus		4,810,621	4,293,181	1,523,795
Accumulated surplus, beginning of year		21,861,896	21,861,896	20,338,101
Accumulated surplus, end of year		26,672,517	26,155,077	21,861,896

The accompanying notes are an integral part of these financial statements



Buffalo River Dene Nation **Consolidated Statement of Change in Net Debt** *For the year ended March 31, 2022*

	2022 Budget (Note 17)	2022 Actual	2021 Actual
Annual surplus	4,810,621	4,293,181	1,523,795
Purchases of tangible capital assets	(263,727)	(7,726,352)	(5,061,523)
Purchase of a leased capital asset	-	-	(417,342)
Amortization of tangible capital assets	-	1,161,498	1,232,685
Gain on disposal of tangible capital assets	-	(26,666)	(287,164)
Proceeds on disposal of tangible capital assets	-	26,666	330,964
Increase in net debt	4,546,894	(2,271,673)	(2,678,585)
Net debt, beginning of year	(14,131,208)	(14,131,208)	(11,452,623)
Net debt, end of year	(9,584,314)	(16,402,881)	(14,131,208)

The accompanying notes are an integral part of these financial statements



Buffalo River Dene Nation **Consolidated Statement of Cash Flows** *For the year ended March 31, 2022*

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Annual Surplus	4,293,181	1,523,795
Non-cash items		
Amortization	1,161,498	1,232,685
Gain on disposal of tangible capital assets	(26,666)	(287,164)
Loss (earnings) from investment in Nation business entities	16,328	(273,642)
Income from NexGen Energy Inc. common shares received	(507,000)	-
	4,937,341	2,195,674
Changes in working capital accounts		
Accounts receivable	(169,739)	(109,077)
Restricted cash	(5,495,775)	(1,460,881)
Accounts payable and accruals	(389,194)	(191,661)
Deferred revenue	6,204,437	1,473,172
Due to Cold Lake Air Weapons Range Trust	(60,394,119)	60,394,119
Cold Lake Air Weapons Range settlement receivable	60,500,000	(60,500,000)
	5,192,951	1,801,346
Financing activities		
Advances of long-term debt	2,771,660	6,555,778
Repayment of long-term debt	(1,037,273)	(1,517,977)
Repayment of capital lease obligations	(47,434)	(158,689)
Decrease in bank indebtedness (net)	-	(249,183)
	1,686,953	4,629,929
Capital activities		
Purchases of tangible capital assets	(7,726,352)	(5,061,523)
Proceeds on disposal of tangible capital assets	26,666	330,964
	(7,699,686)	(4,730,559)
Investing activities		
Advances to (from) Buffalo River Mini Mart & Gas Bar Inc.	(15,260)	148,785
Increase in funds held in trust	(2,066)	(7,361)
Contributions from Buffalo River Mini Mart & Gas Bar Inc.	150,000	-
	132,674	141,424
Increase (decrease) in cash resources	(687,108)	1,842,140
Cash resources, beginning of year	1,973,595	131,455
Cash resources, end of year	1,286,487	1,973,595

The accompanying notes are an integral part of these financial statements



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

1. Operations

The Buffalo River Dene Nation (the "Dene Nation") is located on Treaty 10 territory in the province of Saskatchewan, and provides various services to its Members. The Buffalo River Dene Nation financial reporting entity includes the Dene Nation's government and all related entities that are accountable to the Dene Nation and are either owned or controlled by the Dene Nation.

2. Significant accounting policies

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

Reporting entity

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

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

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

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

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

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

Other economic interests

The Dene Nation does not either share in the control or the profit or loss of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of Buffalo River Dene Nation.

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

Basis of presentation

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

Cash resources

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for general operations is included in restricted cash. Restricted cash consists of CMHC Operating Reserve, CMHC Replacement Reserve, and capital project bank accounts and term deposits.



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

Portfolio investments

Contributed portfolio investments are recorded at their fair market value at the date of contribution. Portfolio investments which are owned by Buffalo River Dene Nation but not controlled or influenced by the Dene Nation are accounted for using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported at.

Funds held in Ottawa Trust

Funds held in trust on behalf of the Dene Nation members by the Government of Canada in the Ottawa Trust are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust money consist of:

- Capital trust money derived from non-renewable resource transactions on the sale of land or other Dene Nation tangible capital assets; and
- Revenue trust money generated primarily through land leasing transactions or interest earned on deposits held in trust.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution where fair value can be reasonably determined.

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Buildings	10-50 years
Equipment	4-5 years
Infrastructure	5-25 years
Equipment under capital lease	5 years

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

Asset classification

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

Net debt

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



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

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

Revenue recognition

Non-government funding

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

Government transfers

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

Other revenue

Rental revenues are recognized over the rental term. Other revenue is earned from services provided by the Dene Nation and is recognized when the service has been provided. Investment income and expense recoveries are recognized when the amounts are known and collection reasonably assured.

Segments

The Dene Nation conducts its business through 7 reportable segments:

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

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

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



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

Use of estimates

The preparation of consolidated financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

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

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

Deferred revenue is estimated based on management's understanding of the terms and conditions of the funding agreements entered into.

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

Liability for contaminated site

Expenditures that relate to on-going environmental and remediation programs are charged against surplus (deficit) as incurred. A liability for a contaminated site reflects management's best estimate of the amount required to remediate the contaminated site. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

3. Accounts receivable

	2022	2021
Meadow Lake Tribal Council	347,026	61,965
Capital Projects	91,502	87,087
Other receivable	77,983	187,960
Indigenous Services Canada	57,053	57,053
Canada Mortgage Housing Corporation	46,395	46,272
GST receivables	40,571	50,454
	660,530	490,791



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

4. Restricted cash

	2022	2021
Current:		
Capital projects bank	6,793,447	1,376,557
Long-term:		
CMHC replacement reserve guaranteed investment certificate 0.2% interest, matures June 22, 2022.	493,986	493,986
CMHC replacement reserve bank	204,405	146,511
CMHC operating reserve bank	85,364	64,373
	783,755	704,870
	7,577,202	2,081,427

5. Portfolio investments

	2022	2021
Measured at cost:		
NexGen Energy Inc.	507,000	-
Mudjatik Enterprises Joint Venture	940	940
First Nations Bank	7,400	7,400
MLTC Resource Development Limited Partnership	1	1
MLTC Resource Development Inc.	1	1
	515,342	8,342

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

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

7. Investments in Nation business entities

The Dene Nation has investments in the following entities:

	Opening	Share of earnings (loss)	Distributions	2022 Total investment
Buffalo River Mini Mart & Gas Bar Inc.	758,441	(16,328)	(150,000)	592,113

Continued on next page



Buffalo River Dene Nation **Notes to the Consolidated Financial Statements** *For the year ended March 31, 2022*

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

Summary financial information for Buffalo River Mini Mart & Gas Bar Inc., accounted for using the modified equity method, for the respective year-end is as follows:

	<i>Buffalo River Mini Mart & Gas Bar Inc. As at March 31, 2022</i>
Assets	
Guaranteed investment certificate	222,284
Trade and other receivables	306,461
Inventories	146,337
Property and equipment	376,479
Prepaid expenses	20,135
Total assets	1,071,696
Liabilities	
Bank indebtedness	64,025
Trade and other payables	345,320
Advances from related parties	65,162
Total liabilities	474,507
Total equity	597,189
Total revenue	5,362,751
Total expenses	5,379,079
Net loss	(16,328)

During the year, the Dene Nation purchased supplies from Buffalo River Mini Mart & Gas Bar at their exchange amount. The Dene Nation purchased \$276,384 (2021 - \$244,083) of goods from Buffalo River Mini Mart & Gar Bar Inc.

8. Funds held in Ottawa Trust

Capital and revenue trust money are transferred to the Dene Nation on the authorization of the Department of Indigenous Services Canada, with the consent of the Dene Nation's Council.

	2022	2021
Capital Trust		
Balance, beginning and end of year	31,881	31,881
Revenue Trust		
Balance, beginning of year	30,647	23,286
Interest	2,066	7,361
Balance, end of year	32,713	30,647
	64,594	62,528



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

9. Credit arrangements

The Dene Nation has a line of credit available of \$100,000 (2021 - \$100,000). At March 31, 2022, \$Nil (2021 - \$Nil) had been drawn against the line of credit. The line of credit charges interest at bank prime plus 2.00% and is secured by redirection of ISC funding and access to on-reserve assets.

10. Deferred revenue

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

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

	<i>Balance, beginning of year</i>	<i>Amounts received</i>	<i>Amounts expended in current year</i>	<i>Balance, end of year</i>
Indigenous Services Canada	3,070,034	19,295,651	13,616,468	8,749,217
Meadow Lake Health & Social Development Authority Inc.	535,972	3,241,802	3,094,688	683,086
MLTC Child & Family Services Inc.	37,587	576,787	570,291	44,083
MLTC Program Services Inc.	424,778	3,082,618	3,100,415	406,981
Others	-	746,196	356,755	389,441
	4,068,371	26,943,054	20,738,617	10,272,808



Buffalo River Dene Nation **Notes to the Consolidated Financial Statements** *For the year ended March 31, 2022*

11. Long-term debt

	2022	2021
First Nations Bank Loan, to finance Daycare construction, operations, and replenish capital project and CMHC reserve fund. Interest at 4.90%, maturity date of June 2025. Repayable in monthly interest only instalments and quarterly principal payments of \$135,156. Secured by redirection of First Nations Trust revenues and Fuel & Tobacco Tax rebates.	3,378,906	3,919,531
First Nations Bank Loan, to finance new housing units and renovations to existing band units up to \$6.9 million. Monthly interest only payments at prime plus 2.00%. Repayment terms to be finalized when the project is complete. Until the project is complete, secured by general security agreement.	5,748,660	2,977,000
First Nations Bank Loan, to finance the purchase of emergency trailers and conduct mold remediation, interest at 4.90%, maturity date of November 2025. Repayable in monthly interest instalment and annual principal payment of \$68,000. Secured by redirection of First Nations Trust revenues and Fuel & Tobacco Tax rebates.	1,632,000	1,700,000
First Nations Bank Loan, to finance the construction of housing units for teachers, interest at 4.90%, maturity date of December 2025, repayable in monthly principal and interest payments of \$7,526, secured by a general security agreement.	1,262,411	1,290,113
CWB National Financing, to finance two busses. Interest at 7.75%, maturity date of December 2026, repayable in monthly principal and interest payments of \$5,305. Secured by a general security agreement.	206,604	252,314
CMHC housing mortgage - Phase IV, interest at 1.78%, maturity date of May 2026, repayable in monthly principal and interest payments of \$1,597. Secured by a ministerial guarantee.	76,925	95,039
CMHC housing mortgage - Phase V, interest at 1.97%, maturity date of October 2027, repayable in monthly principal and interest payments of \$1,628. Secured by a ministerial guarantee.	103,242	120,569
CMHC housing mortgage - Phase VI, interest at 0.68%, maturity date of March 2030, repayable in monthly principal and interest payments of \$1,424. Secured by a ministerial guarantee.	133,012	149,136
CMHC housing mortgage - Phase VII, interest at 1.87%, maturity date of November 2028, repayable in monthly principal and interest payments of \$4,010. Secured by a ministerial guarantee.	301,500	343,580
CMHC housing mortgage - Phase VIII, interest at 1.22%, maturity date of May 2030, repayable in monthly principal and interest payments of \$3,031. Secured by a ministerial guarantee.	282,655	315,571
CMHC housing mortgage - Phase IX, interest at 2.13%, maturity date of October 2032, repayable in monthly principal and interest payments of \$15,531. Secured by a ministerial guarantee.	1,765,223	1,912,449
CMHC housing mortgage - Phase X, interest at 0.98%, maturity date of April 2035, repayable in monthly principal and interest payments of \$3,466. Secured by a ministerial guarantee.	510,632	547,041
CMHC housing mortgage - Phase XI, interest at 0.68%, maturity date of August 2035, repayable in monthly principal and interest payments of \$3,087. Secured by a ministerial guarantee.	474,294	507,946



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

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

Loan repaid during the year.	-	6,685
Loan repaid during the year.	-	4,703
	15,876,064	14,141,677
Less: current portion	1,036,000	1,038,000
	14,840,064	13,103,677

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

2023	1,036,000
2024	1,047,000
2025	1,059,000
2026	1,055,000
2027	1,001,000

Long-term debt is subject to certain financial covenants with respect to timely submission of the annual audited consolidated financial statements to their lender as well as other restrictions that may be in place. As at March 31, 2022, the Dene Nation is not in compliance with all such covenants.



Buffalo River Dene Nation **Notes to the Consolidated Financial Statements** *For the year ended March 31, 2022*

12. Capital lease obligations

	2022	2021
John Deere Leasing, for grader purchased under capital lease, payable in equal monthly instalments of \$5,899 including interest at 6.55%, due June 2025 with an option to purchase the equipment outright for \$158,880. Secured with equipment with a net book value of \$250,406 (2021 - \$365,650).	330,414	377,848
Less: current portion	50,600	47,400
	279,814	330,448

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

2023	70,792
2024	70,792
2025	70,792
2026	170,679
	383,055
Less: imputed interest	52,641
	330,414
Less: current portion	50,600
	279,814

13. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1. The Dene Nation has the following major capital projects in progress at March 31, 2022.

Project	Budget	Cumulative costs to March 31, 2022
WTP Upgrade (AT262)	9,435,000	9,044,362
School Crawl Space (AT284)	4,528,900	3,910,228
Subdivision	7,875,000	3,374,885
Landfill (AT461)	180,000	47,380
SPS # 1 & 2 (CT780)	200,000	37,593
School Ventilation	100,000	-
Housing	6,900,000	2,877,998
Immediate Needs	325,188	420,085
MLTC CFS Inc. Transitional Trailer	263,727	263,727
Tiny Homes	-	299,332

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



Buffalo River Dene Nation **Notes to the Consolidated Financial Statements** *For the year ended March 31, 2022*

14. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Equity in Ottawa Trust Funds	64,594	62,528
Equity in investments	1,107,455	766,786
Equity in CMHC reserves	695,122	746,445
Equity in tangible capital assets	29,257,339	24,843,973
Operating deficit	(4,969,433)	(4,557,836)
	26,155,077	21,861,896

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

The CMHC reserves are replacement and operating reserves required to be funded for future upgrades to existing CMHC housing units and finance any future operating deficits of the program as required by agreements with CMHC.

15. Reconciliation of funding from Indigenous Services Canada

Funding per ISC confirmation	19,288,996
Add:	
Prior year unearned funding	3,070,034
Prior year revenue earned in the current year	73,284
Less:	
Current year unearned funding	8,749,217
Recovery of prior year funding	1,980
Current year unearned receivable	67,649
Funding reported per financial statements	13,613,468

16. Economic dependence

Buffalo River Dene Nation receives substantially all of its revenue from Indigenous Services Canada (ISC) as a result of Treaties entered into with the Crown, which also includes revenues received from Meadow Lake Tribal Council. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The Treaty provisions under Treaty 10 include Education, Health, Hunting, Fishing and Gathering. The ability of the Dene Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

17. Budget information

The disclosed budget information was approved by the Chief and Council of Buffalo River Dene Nation.

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

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



Buffalo River Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

18. Commitments

The Dene Nation received funding from Indigenous Services Canada for the construction of certain capital projects in the community. The Dene Nation is responsible to advance the money received on account of capital construction to the capital project bank account; to be administered by an independent project manager. At March 31, 2022, the Dene Nation operating account owes \$279,550 (\$279,550 - 2021) to the capital construction account.

19. Cold Lake Air Weapons Range Settlement

In 2021, the Government of Canada made a settlement offer of \$60,500,00 for the full and final settlement of the Cold Lake Air Weapons Range Claim. The settlement and the Cold Lake Air Weapons Range Trust Agreement were approved by Chief and Council and ratified by the members of Buffalo River Dene Nation on May 2, 2021 and May 31, 2021, respectively.

The following amounts were presented in the 2021 consolidated financial statements as revenues and expenses in other items as a result of this settlement and ratification of the Trust Agreement:

- \$60,500,000 - Cold Lake Air Weapons Range Settlement (revenue)
- \$60,394,119 - net contribution to Cold Lake Air Weapons Range Trust (expense)
- \$105,881 - legal fees (expense)

The Cold Lake Air Weapons Range Trust is not included in the consolidated financial statements as it is controlled by an Independent trustees and administered by a trust services organization.

20. Compliance with First Nations Financial Transparency Act

Under the terms of the funding agreement, the Dene Nation is required to make their audited consolidated financial statements available to their members as well as publish it on the Indigenous Services Canada website. As at March 31, 2022, the Dene Nation was not in compliance with the agreement. The Dene Nation is currently undertaking those actions needed to comply with these terms.



Buffalo River Dene Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Infrastructure</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Equipment under capital lease</i>	<i>Assets under construction</i>	<i>2022</i>	<i>2021</i>
Cost							
Balance, beginning of year	6,144,245	41,241,718	2,578,435	417,342	12,755,464	63,137,204	58,008,737
Acquisition of tangible capital assets	-	-	206,226	-	7,520,126	7,726,352	5,478,865
Disposal of tangible capital assets	-	-	(26,666)	-	-	(26,666)	(350,398)
Balance, end of year	6,144,245	41,241,718	2,757,995	417,342	20,275,590	70,836,890	63,137,204
Accumulated amortization							
Balance, beginning of year	3,829,898	21,187,962	2,074,072	52,168	-	27,144,100	26,218,013
Annual amortization	117,795	729,105	210,262	104,336	-	1,161,498	1,232,685
Accumulated amortization on disposals	-	-	(26,666)	-	-	(26,666)	(306,598)
Balance, end of year	3,947,693	21,917,067	2,257,668	156,504	-	28,278,932	27,144,100
Net book value of tangible capital assets	2,196,552	19,324,651	500,327	260,838	20,275,590	42,557,958	35,993,104
Net book value of tangible capital assets 2021	2,314,347	20,053,756	504,363	365,174	12,755,464	35,993,104	



Buffalo River Dene Nation **Schedule 2 - Schedule of Consolidated Expenses by Object** *For the year ended March 31, 2022*

	2022 Budget (Note 17)	2022 Actual	2021 Actual
Program activities			
Activities	393,815	364,083	143,801
Amortization	-	1,161,498	1,232,685
Assistance	53,408	1,686,866	1,935,891
Bank charges and interest	10,000	17,026	72,359
Committee meetings costs	113,704	99,021	3,339
Contracted services	10,261,019	3,177,343	2,855,026
Cultural activities	268,647	193,218	114,834
Equipment lease	23,719	49,769	173,444
Equipment purchase	11,443	-	28,780
Fuel	98,357	117,812	138,172
Honouraria	25,400	497,616	397,377
Insurance	144,098	521,516	407,416
Interest on long-term debt	283,384	424,569	446,713
Office supplies	120,273	129,878	102,089
Professional fees	344,300	538,962	401,816
Repairs and maintenance	314,289	412,188	394,404
Salaries and benefits	7,130,663	6,933,547	6,733,865
Student expenses	606,000	637,033	539,622
Supplies	842,536	1,586,563	2,207,993
Telephone	97,297	100,117	98,800
Travel	332,473	441,582	260,549
Utilities	381,202	564,286	545,309
	21,856,027	19,654,493	19,234,284



Buffalo River Dene Nation Administration

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

For the year ended March 31, 2022

	2022 Actual	2021 Actual
Revenue		
Indigenous Services Canada	678,380	654,456
MLTC Program Services Inc.	694,393	456,845
Other revenue	112,700	121,975
Government of Saskatchewan	1,518	1,504
Expense recoveries	-	19,593
	1,486,991	1,254,373
Expenses		
Activities	40,561	4,337
Administration (recovery)	(952,909)	(1,119,431)
Assistance	63,408	-
Bank charges and interest	16,971	15,450
Committee meeting costs	6,648	100
Contracted services	379,249	321,323
Equipment lease	2,052	8,716
Honouraria	472,216	373,077
Office supplies	60,529	48,660
Professional fees	463,156	300,310
Salaries and benefits	882,528	727,724
Supplies	63,370	20,859
Telephone	44,141	49,955
Travel	213,244	66,344
	1,755,164	817,424
Surplus (deficit) before other income (expense)	(268,173)	436,949
Other income (expense)		
Contribution to Cold Lake Air Weapons Range Trust (Note 19)	-	(60,394,119)
Cold Lake Air Weapons Range Settlement (Note 19)	-	60,500,000
Surplus (deficit) before transfers	(268,173)	542,830
Transfers between programs	-	(317,800)
Annual surplus (deficit)	(268,173)	225,030



Buffalo River Dene Nation Community Infrastructure

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

For the year ended March 31, 2022

	2022 Actual	2021 Actual
Revenue		
Indigenous Services Canada	1,007,443	1,174,455
Rental income	220,188	191,708
Government of Saskatchewan	62,300	59,900
Other revenue	55,603	79,264
	1,345,534	1,505,327
Expenses		
Salaries and benefits	281,691	289,340
Contracted services	274,606	316,832
Utilities	260,100	224,665
Repairs and maintenance	165,305	74,081
Interest on long-term debt	85,970	24,142
Fuel	79,217	48,426
Supplies	44,694	136,246
Insurance	25,240	133,557
Travel	19,204	27,615
Office supplies	8,570	9,010
Telephone	6,832	4,259
Equipment purchase	-	12,800
Committee meeting costs	150	425
	1,251,579	1,301,398
Surplus before other income (expense)	93,955	203,929
Other income (expense)		
Gain on disposal of capital assets	-	287,164
Annual Surplus	93,955	491,093



Buffalo River Dene Nation Education

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

For the year ended March 31, 2022

	2022 Actual	2021 Actual
Revenue		
Indigenous Services Canada	5,208,907	4,877,224
MLTC Program Services Inc.	445,487	436,534
Other revenue	89,478	-
Northern Sports, Culture & Recreation District	53,493	53,771
	5,797,365	5,367,529
Expenses		
Activities	8,521	5,690
Administration	429,090	404,164
Committee meeting costs	2,100	2,164
Contracted services	78,641	54,036
Cultural	42,224	19,512
Equipment lease	12,811	21,604
Fuel	12,023	2,426
Insurance	108,036	11,199
Interest on long-term debt	17,954	5,529
Office supplies	17,502	32,504
Professional fees	9,000	-
Repairs and maintenance	149,471	176,751
Salaries and benefits	3,153,544	3,231,329
Student expenses	637,033	539,622
Supplies	124,814	308,565
Telephone	11,415	8,121
Travel	61,428	27,406
Utilities	172,677	154,058
	5,048,284	5,004,680
Annual surplus	749,081	362,849



Buffalo River Dene Nation Health

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

For the year ended March 31, 2022

	2022 Actual	2021 Actual
Revenue		
Meadow Lake Health & Social Development Authority Inc.	3,020,700	2,728,453
Indigenous Services Canada	1,794,726	1,937,564
Meadow Lake Tribal Council CFS Inc.	570,291	283,266
MLTC Program Services Inc.	57,514	80,369
Northern Inter-Tribal Health Authority	2,104	24,911
Other revenue	42,437	70,747
	5,487,772	5,125,310
Expenses		
Activities	304,190	133,774
Administration	455,565	566,163
Amortization	34,752	34,752
Assistance	147,300	27,800
Contracted services	1,486,548	1,074,586
Cultural	129,363	95,322
Equipment lease	34,906	60,987
Fuel	-	81,988
Honouraria	25,400	24,300
Insurance	32,407	13,741
Office supplies	27,984	8,718
Repairs and maintenance	28,898	66,386
Salaries and benefits	1,947,748	2,020,301
Supplies	435,012	793,525
Telephone	37,729	36,465
Travel	91,234	82,927
Utilities	81,006	72,151
Committee meeting costs	3,644	650
	5,303,686	5,194,536
Annual surplus (deficit) before transfers	184,086	(69,226)
Transfers between programs	(49,180)	-
Annual surplus (deficit)	134,906	(69,226)



Buffalo River Dene Nation Capital

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

For the year ended March 31, 2022

	2022 Actual	2021 Actual
Revenue		
Indigenous Services Canada	4,183,981	1,997,189
Canada Mortgage and Housing Corporation	431,823	417,892
Rental income	194,459	130,217
Other revenue	-	51,614
Investment income	-	986
	4,810,263	2,597,898
Expenses		
Amortization	1,126,746	1,197,933
Supplies	900,573	741,346
Contracted services	531,804	510,375
Insurance	355,833	248,919
Repairs and maintenance	68,514	77,186
Salaries and benefits	61,883	58,193
Interest on long-term debt	60,807	65,670
Utilities	50,503	94,435
Professional fees	13,555	-
Travel	12,415	11,752
Office supplies	11,293	3,197
Fuel	362	5,332
	3,194,288	3,014,338
Surplus (deficit) before transfers	1,615,975	(416,440)
Transfers between programs	1,490,314	317,800
Annual Surplus (deficit)	3,106,289	(98,640)



Buffalo River Dene Nation Other Programs

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

For the year ended March 31, 2022

	2022 Actual	2021 Actual
Revenue		
Indigenous Services Canada	730,083	1,179,849
MLTC Program Services Inc.	340,686	470,779
Meadow Lake Health & Social Development Authority Inc.	25,000	25,000
NexGen Energy Inc.	354,651	28,220
Investment income	1,636,846	245,405
Other revenue	22,485	7,961
First Nations Trust	255,994	325,722
Northern Lights Community Development Corporation	22,431	70,381
Earnings from investment in Nation business entities	(16,328)	273,642
	3,371,848	2,626,959
Expenses		
Activities	10,811	-
Administration	59,134	142,592
Assistance	-	248,589
Bank charges and interest	55	56,909
Committee meeting costs	86,479	-
Contracted services	416,191	468,284
Cultural	21,631	-
Equipment lease	-	82,137
Equipment purchase	-	15,980
Fuel	26,210	-
Interest on long-term debt	259,838	351,372
Professional fees	53,251	101,506
Salaries and benefits	548,745	371,295
Supplies	12,744	207,452
Travel	31,191	44,505
	1,526,280	2,090,621
Surplus before transfers	1,845,568	536,338
Transfers between programs	(1,441,134)	-
Annual surplus	404,434	536,338



Buffalo River Dene Nation Social Development

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

For the year ended March 31, 2022

	2022 Actual	2021 Actual
Revenue		
MLTC Program Services Inc.	1,562,299	1,800,507
Indigenous Services Canada	9,948	87,131
Meadow Lake Health & Social Development Authority Inc.	48,988	-
	1,621,235	1,887,638
Expenses		
Administration	9,120	6,512
Assistance	1,476,158	1,659,502
Contracted services	10,304	109,590
Office supplies	4,000	-
Salaries and benefits	57,408	35,683
Supplies	5,356	-
Travel	12,866	-
	1,575,212	1,811,287
Other income (expense)		
Gain (loss) on disposal of capital assets	26,666	-
Annual Surplus	72,689	76,351