



**Birch Narrows Dene Nation
Consolidated Financial Statements**

March 31, 2024



Birch Narrows Dene Nation Contents

For the year ended March 31, 2024

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To the Members of Birch Narrows Dene Nation:

Opinion

We have audited the consolidated financial statements of Birch Narrows Dene Nation (the "Dene Nation"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows and 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 financial position of the Dene Nation as at March 31, 2024, and the results of its consolidated operations, changes in its net financial assets and its consolidated 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 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 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 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 consolidated 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 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 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 consolidated 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 3, 2024

MNP LLP

Chartered Professional Accountants

MNP



Birch Narrows Dene Nation
Consolidated Statement of Financial Position

As at March 31, 2024

	2024	2023
Financial assets		
Current		
Cash and cash equivalents	5,330,222	1,883,442
Restricted cash (Note 4)	2,426,895	2,172,909
Accounts receivable (Note 5)	5,579,529	3,064,832
Portfolio investments (Note 6)	11,590	11,590
Inventory for resale	245,040	245,042
Funds Held in Lawyers Trust (Note 7)	3,802,261	3,692,261
	17,395,537	11,070,076
Due from Birch Narrows Dene Nation Development Limited Partnership (Note 8)	9,387	9,387
Investment in Nation business entities (Note 9)	2,580,195	1,866,852
Funds held in trust (Note 10)	37,509	36,274
Total financial assets	20,022,628	12,982,589
Liabilities		
Current		
Accounts payable and accruals	648,570	610,193
Deferred revenue (Note 12)	7,535,760	4,350,263
Per capita distribution payable (Note 19)	1,558,000	-
Current portion of long-term debt (Note 13)	307,911	300,600
	10,050,241	5,261,056
Long-term debt (Note 13)	2,917,370	3,202,885
Total financial liabilities	12,967,611	8,463,941
Net financial assets	7,055,017	4,518,648
Contingency (Note 7)		
Non-financial assets		
Tangible capital assets (Note 14) (Schedule 1)	41,492,123	41,711,921
Prepaid expenses	672,586	24,860
Total non-financial assets	42,164,709	41,736,781
Accumulated surplus (Note 15)	49,219,726	46,255,429

Approved on behalf of the Chief and Council

Signed by: Trevor Moberly

Councilor

Signed by: Conrad Sylvestre

Councilor



Birch Narrows Dene Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2024

	<i>Schedules</i>	<i>2024 Budget (Note 18)</i>	<i>2024 Actual</i>	<i>2023 Actual</i>
Revenue				
Indigenous Services Canada (Note 16)		6,822,778	9,303,693	7,199,538
MLTC Program Services Inc.		1,988,908	2,765,371	3,225,304
Meadow Lake Health and Social Development Authority Inc.		1,924,542	2,474,581	2,936,188
MLTC Child and Family Services Inc.		372,334	533,203	681,613
First Nations Trust		143,885	491,358	325,222
CMHC subsidy		257,831	259,291	257,831
Retail sales		-	4,563,524	4,127,825
Other revenue		2,058,673	1,079,455	548,526
Earnings (loss) from investment in Nation business entities (Note 9)		-	713,343	(281,663)
MLTC Dividends		-	786,667	1,477,778
Northern Lights School Division		-	691,049	704,165
Government of Saskatchewan		-	290,000	-
Rental income		202,230	212,163	191,686
		13,771,181	24,163,698	21,394,013
Program expenses				
Band Programs	3	447,201	815,592	359,921
Band Support	4	1,575,479	2,065,494	2,313,793
Capital	5	907,761	2,755,975	2,608,281
Economic Development	6	65,135	4,302,965	4,484,365
Education	7	5,660,989	5,312,450	5,153,290
Health	8	3,292,254	4,292,749	4,056,914
Infrastructure	9	1,322,373	932,078	1,027,208
Reserves & Trusts	10	-	6,791	16,405
Social Services	11	1,055,793	1,320,607	1,247,033
		14,326,985	21,804,701	21,267,210
Surplus (deficit) before Trust Settlement		(555,804)	2,358,997	126,803
Trust Settlement (Note 19)				
Birch Narrows Dene Nation Agricultural Benefits settlement		-	47,408,500	-
Per capita distribution		-	(32,618,000)	-
Contribution to Minors Trust - per capita distribution		-	(12,502,000)	-
Legal fees - trust settlement		-	(1,711,878)	-
Administrative costs for distribution		-	(81,322)	-
Interest on trust assets		-	110,000	67,261
		-	605,300	67,261
Surplus (deficit)		(555,804)	2,964,297	194,064
Accumulated surplus, beginning of year		46,255,429	46,255,429	46,061,365
Accumulated surplus, end of year		45,699,625	49,219,726	46,255,429

The accompanying notes are an integral part of these consolidated financial statements



Birch Narrows Dene Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2024

	2024 Budget (Note 18)	2024 Actual	2023 Actual
Annual surplus	(555,804)	2,964,297	194,064
Purchases of tangible capital assets	-	(1,620,174)	(1,709,792)
Amortization of tangible capital assets	-	1,839,972	1,785,929
	-	219,798	76,137
Acquisition of prepaid expenses	-	(672,586)	(24,860)
Use of prepaid expenses	-	24,860	447,573
	-	(647,726)	422,713
Increase (decrease) in net financial assets	(555,804)	2,536,369	692,914
Net financial assets, beginning of year	4,518,648	4,518,648	3,825,734
Net financial assets, end of year	3,962,844	7,055,017	4,518,648



Birch Narrows Dene Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	2,964,297	194,064
Non-cash items		
Amortization	1,839,972	1,785,929
Loss (earnings) from investment in Nation business entities	(713,343)	281,663
	4,090,926	2,261,656
Changes in working capital accounts		
Accounts receivable	(2,514,697)	(1,309,473)
Prepaid expenses	(647,726)	422,713
Restricted cash	(253,986)	(406,667)
Inventory held for resale	2	(2,743)
Funds held in lawyers trust	(110,000)	(67,261)
Accounts payable and accruals	38,377	332,420
Deferred revenue	3,185,497	1,525,144
Per capita distribution payable	1,558,000	-
	5,346,393	2,755,789
Financing activities		
Repayment of long-term debt	(278,204)	(293,872)
Capital activities		
Purchases of tangible capital assets	(1,620,174)	(1,709,792)
Investing activities		
Funds held in trust	(1,235)	(1,440)
Due from Birch Narrows Dene Nation Development Limited Partnership (net)	-	(1,276)
	(1,235)	(2,716)
Increase in cash resources	3,446,780	749,409
Cash resources, beginning of year	1,883,442	1,134,033
Cash resources, end of year	5,330,222	1,883,442



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

1. Operations

The Birch Narrows Dene Nation (the "First Nation") is located in Treaty Territory #10 in the province of Saskatchewan, and provides various services to its members. Birch Narrows Dene Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Change in accounting policies

Revenue

Effective April 1, 2023, the Dene Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 *Revenue*. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions", as described in Note 3.

There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

3. Significant accounting policies

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

Reporting entity

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

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

- Birch Narrows Dene Nation
- Birch Ridge Educational Authority;
- Birch Narrows Dene Nation CMHC Housing Fund
- Birch Narrows Grocery and Gas Bar

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.



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

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

Reporting entity *(Continued from previous page)*

Government 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 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 government 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. Entities accounted for by the modified equity basis include:

- Birch Narrows Dene Nation Development Limited Partnership

Other economic interests

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

The Dene Nation does not either share in the control or the profit or loss of Meadow Lake Tribal Council. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of Birch Narrows Dene Nation.

Basis of presentation

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

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash consists of CMHC Replacement Reserve bank account, capital project bank account. Cold Lake Air Weapons Range Settlement annual revenue account and term deposits.

Inventory held for resale

Inventory consists of retail items for the Birch Narrows Grocery and Gas Bar and is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Funds held in trust fund

Funds held in trust on behalf of Dene Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys 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 based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

When conditions indicate that a tangible capital asset no longer contributes to the Dene Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the Dene Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

3. Significant accounting policies (Continued from previous page)

Tangible capital assets (Continued from previous page)

Amortization

Amortization for other tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	25 to 50 years
Equipment	straight-line	5 to 20 years
Infrastructure	straight-line	25 years

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

Long-lived assets

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

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 and prepaid expenses.

Net financial assets (net debt)

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

Revenue recognition

Funding

Revenue 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. In addition to various outside funding sources, funding revenue includes Annual Revenue received as per the from the Birch Narrows Dene Nation Membership Trust agreement.

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.

The Dene Nation receives revenues from various other sources.

Non-exchange transactions

Non-exchange transactions include items such as donations, grants, interest and dividends and have no performance obligations and are recognized at their realizable value when the Dene Nation has the authority to claim or retain economic inflows based on a past transaction or event giving rise to an asset.

Exchange transactions

Revenue from transactions with performance obligations are recognized when the Dene Nation satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

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

Segments

The Dene Nation conducts its business through 9 reportable segments:

- Band Programs - includes band operated programming of the Dene Nation.
- Band Support - includes the administration and governance operations of the Dene Nation.
- Capital - includes the operations and maintenance of all on reserve housing and capital construction.
- Economic Development - includes the Dene Nation's economic development planning, investing and retail operations.
- Education - includes the operations of education programs.
- Health - includes the operations of health and community wellness programming.
- Infrastructure - includes the operations and maintenance of the Dene Nation's buildings and infrastructure.
- Reserves & Trusts - includes the activities relating to specific claims.
- Social services - 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. Administration fees have been apportioned 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 financial statements.

Use of estimates

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

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Liability for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Dene Nation is responsible for.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Dene Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), 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 March 31, 2024. 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 tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

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

Asset retirement obligation *(Continued from previous page)*

At each financial reporting date, the Dene Nation reviews the carrying amount of the liability. The Dene 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 tangible capital asset.

The Dene Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First 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.

At each financial reporting date, the Dene Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Dene Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. There are no known liabilities at March 31, 2024.

Financial instruments

The Dene Nation recognizes its financial instruments when the Dene Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition the First Nation may irrevocably elect to subsequently measure at fair value financial instruments that meet certain criteria. The First Nation has not made such an election during the year.

The Dene Nation does not have any financial instruments required to be subsequently measured at fair value so has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. All financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

All financial assets are tested annually for impairment. Management considers recent collection experience for receivables, such as delinquency in payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value.

Fair value measurements

The Dene Nation classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the Dene Nation to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.



Birch Narrows Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

4. Restricted cash

	2024	2023
Capital projects bank	1,533,190	1,768,534
Cold Lake Air Weapons Range Trust - annual revenue account	488,701	-
Replacement reserve bank	299,503	298,874
Term deposits	105,501	105,501
	2,426,895	2,172,909

5. Accounts receivable

	2024	2023
Indigenous Services Canada	3,447,982	1,110,117
Northern Lights School Division	1,139,770	459,200
Other	301,841	59,459
Birch Narrows Dene Nation Membership Trust - annual revenue	165,308	-
MLTC Program Services Inc.	154,668	243,073
MLTC Child & Family Services Inc.	135,198	459,885
Meadow Lake Health & Social Development Authority Inc.	124,315	69,989
GST	110,447	91,254
MLTC Resource Development Inc.	-	277,778
First Nations Trust	-	272,469
CMHC subsidy	-	21,608
	5,579,529	3,064,832

6. Portfolio Investments

	2024	2023
Measured at cost:		
Co-op equity	10,613	10,613
First Nations Bank	940	940
Birch Narrows Dene Development Inc.	34	34
MLTC Resource Development Limited Partnership	1	1
MLTC Resource Development Inc.	1	1
MLDC Inc.	1	1
	11,590	11,590

7. Cold Lake Air Weapons Range Settlement

In 2022, the Dene Nation received its share of the Cold Lake Air Weapons Range Settlement and then established the Birch Narrows Dene Nation Membership Trust to receive the distribution from the settlement and to utilize the funds for the benefit of the Nation, its Members and its future Members.

Due from Lawyers' Trust / Contingent liability

There has been claims made against the Nation that they owe additional contingent legal fees based on the settlement amount. Upon settlement of the Trust, the funds in dispute for legal fees are currently in escrow in a Lawyers Trust account. The Dene Nation is involved in legal proceedings challenging the amount of additional contingent legal fees being claimed. Due to uncertainties that still exist no liability has been accrued for these legal fees, amounts owing, if any, will be recorded in the period that the amounts are known.



Birch Narrows Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

8. Due from Birch Narrows Dene Nation Development Limited Partnership

Advances bear no interest and have no fixed terms of repayment. Birch Narrows Dene Nation Development Limited Partnership is a wholly owned business of Birch Narrows Dene Nation.

9. Investments in Nation business entities

The Dene Nation has investments in the following entities:

	<i>2024 Opening</i>	<i>Share of earnings</i>	<i>2024 Total investment</i>
Wholly-owned Businesses:			
Birch Narrows Dene Nation Development Limited Partnership	1,866,852	713,343	<u>2,580,195</u>
	<i>2023 Opening</i>	<i>Share of loss</i>	<i>2023 Total investment</i>
Wholly-owned Businesses:			
Birch Narrows Dene Nation Development Limited Partnership	2,148,515	(281,663)	<u>1,866,852</u>

Summary financial information for Birch Narrows Dene Nation Development Limited Partnership, accounted for using the modified equity method, is as follows:

<i>As at March 31, 2024</i>	
Assets	
Cash	1,110,501
Accounts receivable	62,674
Investments	1,446,884
Property and equipment	257
Total assets	2,620,316
Liabilities	
Accounts payable and accruals	30,734
Advances	9,387
Total liabilities	40,121
Partners' capital	2,580,195
Total revenue	1,067,834
Total expenses	354,491
Net income	713,343



Birch Narrows Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

10. Funds held in trust

Capital and revenue trust money is transferred to the Dene Nation with the authorization of the First Nation's Council on the consent of the Minister of Indigenous Services Canada.

	2024	2023
Capital Trust		
Balance, beginning and end of year	6,511	6,511
Revenue Trust		
Balance, beginning of year	29,763	28,323
Interest	1,235	1,440
Balance, end of year	30,998	29,763
	37,509	36,274

11. Credit arrangements

At March 31, 2024, the Dene Nation had two lines of credit totaling \$50,000 and \$75,000 (2023 – \$50,000 and \$75,000); none of which were drawn. The lines of credit are secured by a general security agreement and first charge on certain funding from Indigenous Services Canada. Interest on outstanding credit is calculated at bank prime rate plus 1.5%.

12. 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>Contributions received</i>	<i>Amounts expended in current year</i>	<i>Balance, end of year</i>
Indigenous Services Canada - operating	2,240,171	3,728,427	1,962,082	4,006,516
Indigenous Services Canada - capital	1,803,635	1,721,325	1,263,639	2,261,321
MLTC Program Services Inc.	306,457	422,195	578,653	149,999
Birch Narrows Dene Nation Membership Trust Revenue Account	-	1,117,924	-	1,117,924
	4,350,263	6,989,871	3,804,374	7,535,760



Birch Narrows Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

13. Long-term debt

	2024	2023
CMHC housing mortgage - Phase II, interest at 0.96%, maturity date of July 2035, repayable in monthly principal and interest payments of \$3,504. Secured by a ministerial guarantee.	451,493	489,015
CMHC housing mortgage - Phase III, interest at 1.30%, maturity date of October 2035, repayable in monthly principal and interest payments of \$1,486. Secured by a ministerial guarantee.	191,753	206,990
CMHC housing mortgage - Phase IV, interest at 1.12%, maturity date of June 2031, repayable in monthly principal and interest payments of \$4,805. Secured by a ministerial guarantee.	401,373	454,216
CMHC housing mortgage - Phase V, interest at 3.75%, maturity date of January 2037, repayable in monthly principal and interest payments of \$3,478. Secured by a ministerial guarantee.	425,324	450,674
CMHC housing mortgage - Phase VI, interest at 1.57%, maturity date of December 2036, repayable in monthly principal and interest payments of \$5,059. Secured by a ministerial guarantee.	701,234	750,519
CMHC housing mortgage - Phase VII, interest at 1.57%, maturity date of December 2036, repayable in monthly principal and interest payments of \$2,391. Secured by a ministerial guarantee.	331,442	354,736
Royal Bank of Canada loan bearing interest at bank prime plus 1.5% (8.20%; 2023 - 8.20%), repayable in quarterly principal and interest payments of \$32,828, due August 2024	722,662	797,335
	3,225,281	3,503,485
<u>Less: current portion</u>	<u>307,911</u>	<u>300,600</u>
	2,917,370	3,202,885

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:

2025	307,911
2026	315,500
2027	323,400
2028	331,700
2029	340,400



Birch Narrows Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

14. 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, 2024.

Project	Budget	Cumulative Costs to March 31, 2024
Road re-grading	1,705,000	1,795,366
Solid waste transfer station	1,806,800	635,804
Community Centre	371,325	41,838
Water Treatment Plant	1,000,000	378,244

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.

15. Accumulated surplus

Accumulated surplus consists of the following:

	2024	2023
Equity in investments	2,580,195	1,866,852
Equity in funds held in trust	37,509	36,274
Equity in CMHC reserves	745,922	689,077
Equity in tangible capital assets	38,266,842	38,208,436
Operating surplus	3,786,997	1,762,529
Undistributed Trust settlement proceeds (Note 7)	3,802,261	3,692,261
	49,219,726	46,255,429

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

Equity in funds held in trust reports on Ottawa Trust Fund money owned to the Dene Nation and held by the Government of Canada.

Equity in investments relates to earnings in commercial business operations owned by the Dene Nation.

16. Reconciliation of funding from Indigenous Services Canada

Indigenous Services Canada funding per confirmation	11,527,724
Deferred revenue - beginning of year	4,043,806
Deferred revenue - end of year	(6,267,837)
	9,303,693



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

17. Economic dependence

Birch Narrows Dene Nation receives substantially all of its revenue from Indigenous Services Canada as a result of Treaties entered into with the Crown, which includes revenues received from Meadow Lake Tribal Council. These treaties are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the Dene Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

18. Budget information

The disclosed budget information was approved by Chief and Council of Birch Narrows Dene Nation.

19. Birch Narrows Dene Nation Agricultural Benefits Settlement

During the year, the Dene Nation accepted the Government of Canada's settlement offer of \$47,408,500 for the full and final settlement of the Birch Narrows Dene Nation Agricultural Benefits settlement. The majority of the settlement proceeds were distributed out via a per capita distribution to the members that are 18 years of age or older and for those members who are still minors a contribution was made to the Birch Narrows Dene Nation Agricultural Benefits Settlement Minors Trust for distribution when the minors turn 18 years of age. Below is the allocation and cost incurred:

- \$47,408,500 - Agricultural Benefits settlement (revenue)
- \$32,618,000 - Per capita distribution (expense)
- \$12,502,000 - Contribution to Minors Trust (expense)
- \$1,500,000 - Legal fees - contingency (expense)
- \$81,322 - Administrative costs (expense)
- \$211,878 - Legal fees - settlement on previous advances for costs incurred in processing the claim (expense)

As of March 31, 2024 there are some members who have yet to receive their per capita distribution payment. These amounts have been accrued as payable.



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

20. Financial Instruments

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

Credit Risk

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

The carrying amount of the Dene Nation's accounts receivable best represents the maximum exposure to credit risk.

Risk management

The Dene Nation manages its credit risk by performing regular assessments and providing allowances for potentially uncollectible accounts (2024 - \$nil; 2023 - \$nil). The Dene Nation believes there is limited credit risk as the majority of accounts receivable is due from the Government of Canada and Meadow Lake Tribal Council whose risk of defaulting is low.

As at March 31, 2024 all of the amounts receivable related to 2023/24 funding agreements other than \$1,110,117 from Indigenous Services Canada which is from prior year agreements and has not been received due to project delays and outstanding reporting to Indigenous Services Canada.

A credit concentration exists relating to trade accounts receivable. Within accounts receivable, two (2023 - three) entities comprise 82% of the trade receivables (2023 - 66% of trade receivables).

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.

The Dene Nation is exposed to interest rate risk primarily through its cash and cash equivalents and long-term debt. In seeking to minimize the risks from interest rate fluctuations, the Dene Nation manages exposure through obtaining debt with a combination of fixed and variable rates, entering into agreements with Canada Mortgage and Housing Corporation (CMHC) to provide subsidy for the payment of principal and interest on the related loans from CMHC, and obtaining marketable securities with varying maturity dates.

Liquidity Risk

Liquidity risk is the risk that the Dene Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash. The Dene Nation enters into transactions to purchase goods and services for which repayment is required at various maturity dates.

The Dene Nation manages the liquidity risk resulting from accounts payable and accruals, and deferred revenue by collecting accounts receivable, maintaining liquid assets and through an authorized operating line of credit of up to \$50,000 and \$75,000.

21. Comparative figures

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



Birch Narrows Dene Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<i>Buildings</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Assets under construction</i>	<i>2024</i>	<i>2023</i>
					<i>Actual</i>	<i>Actual</i>
Cost						
Balance, beginning of year	49,500,112	3,159,073	13,227,182	2,169,112	68,055,479	66,345,687
Acquisition of tangible capital assets	-	217,534	-	1,402,640	1,620,174	1,709,792
Transfer completed projects	720,500	-	-	(720,500)	-	-
Balance, end of year	50,220,612	3,376,607	13,227,182	2,851,252	69,675,653	68,055,479
Accumulated amortization						
Balance, beginning of year	19,994,726	2,411,660	3,937,172	-	26,343,558	24,557,629
Annual amortization	1,122,956	187,885	529,131	-	1,839,972	1,785,929
Balance, end of year	21,117,682	2,599,545	4,466,303	-	28,183,530	26,343,558
Net book value of tangible capital assets	29,102,930	777,062	8,760,879	2,851,252	41,492,123	41,711,921
Net book value of tangible capital assets 2023	29,505,386	747,413	9,290,010	2,169,112	41,711,921	



Birch Narrows Dene Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2024

	2024	2023
Salaries and benefits	3,796,360	3,416,932
Retail cost of sales	3,637,285	3,566,540
Education service agreement	3,004,187	3,024,388
Amortization	1,839,972	1,785,929
Membership support	1,460,835	1,738,494
Assistance	1,306,818	1,247,033
Supplies	1,161,076	821,378
Travel	1,090,331	757,890
Contracted services	880,299	633,116
Professional fees	727,343	1,009,732
Repairs and maintenance	596,916	615,711
Student expenses	459,866	652,636
Utilities	413,920	548,289
Honoraria	330,291	319,625
Furniture and equipment	176,486	199,765
Vehicle	173,690	83,309
Insurance	149,588	198,169
Professional development	142,267	111,781
Telephone	139,723	108,903
Office supplies	119,325	58,342
Interest on long-term debt	112,875	95,810
Bank charges and interest	50,167	43,572
Vehicle	20,462	-
Miscellaneous	13,582	-
Bingo costs	1,037	10,053
Rent	-	41,600
Transfer to Birch Narrows Dene Nation Development Limited Partnership	-	71,952
Pandemic	-	106,261
	21,804,701	21,267,210



Birch Narrows Dene Nation
Band Programs
Schedule 3 - Segment Schedule
For the year ended March 31, 2024

	2024	2023
Revenue		
First Nations Trust	491,358	325,222
MLTC Program Services Inc.	300,725	222,337
Indigenous Services Canada	164,825	-
Meadow Lake Health and Social Development Authority	25,000	-
Government of Saskatchewan	290,000	-
Other revenue	52,494	69,217
	1,324,402	616,776
Expenses		
Salaries and benefits	334,640	195,920
Membership support	222,215	40,470
Furniture and equipment	64,927	4,553
Supplies	42,590	35,247
Professional fees	33,929	-
Travel	32,005	22,213
Interest on long-term debt	28,516	52,809
Contracted services	19,005	-
Administration	11,288	-
Vehicle	11,109	6,004
Telephone	6,039	2,552
Professional development	4,685	53
Repairs and maintenance	3,350	-
Honoraria	1,294	100
	815,592	359,921
Surplus	508,810	256,855



Birch Narrows Dene Nation
Band Support
Schedule 4 - Segment Schedule
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	1,116,421	832,615
MLTC Program Services Inc.	241,037	861,143
Meadow Lake Health and Social Development Authority	6,500	-
Other revenue	718,269	62,104
MLTC Dividends	786,667	1,477,778
	2,868,894	3,233,640
Expenses		
Salaries and benefits	724,243	666,340
Membership support	479,764	348,794
Travel	467,698	287,481
Professional fees	463,699	690,936
Honoraria	272,492	267,471
Insurance	112,149	-
Contracted services	83,823	1,495
Supplies	82,138	139,666
Office supplies	73,823	13,204
Telephone	61,581	40,524
Professional development	58,728	15,015
Furniture and equipment	51,376	53,776
Vehicle	20,771	473
Bank charges and interest	16,829	14,137
Miscellaneous	6,220	-
Vehicle	3,506	-
Utilities	778	-
Repairs and maintenance	70	22,812
Student expenses	-	37,983
Pandemic	-	106,261
Administration (allocation)	(914,194)	(392,575)
	2,065,494	2,313,793
Surplus before transfers	803,400	919,847
Transfers between programs	97,875	-
Surplus	901,275	919,847



Birch Narrows Dene Nation
Capital
Schedule 5 - Segment Schedule
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	2,284,562	1,414,838
CMHC subsidy	259,291	257,831
Meadow Lake Health and Social Development Authority	-	41,391
Rental income	132,372	15,730
Other revenue	14,402	5,317
	2,690,627	1,735,107
Expenses		
Amortization	1,732,386	1,622,404
Repairs and maintenance	326,738	236,103
Contracted services	270,388	235,746
Supplies	144,456	262,825
Salaries and benefits	100,304	101,461
Interest on long-term debt	83,566	43,001
Administration	35,520	33,300
Insurance	35,000	35,000
Travel	11,403	16,504
Professional fees	9,975	10,213
Vehicle	3,460	501
Telephone	2,044	2,863
Bank charges and interest	735	-
Utilities	-	8,360
	2,755,975	2,608,281
Deficit	(65,348)	(873,174)



Birch Narrows Dene Nation
Economic Development
Schedule 6 - Segment Schedule
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	-	93,552
MLTC Program Services Inc.	53,162	52,435
Retail sales	4,563,524	4,127,825
Earnings from investment in Nation business entities	713,343	(281,663)
Other revenue	85,341	236,780
	5,415,370	4,228,929
Expenses		
Retail cost of sales	3,637,285	3,528,251
Salaries and benefits	447,303	413,152
Supplies	64,489	12,562
Utilities	33,024	46,506
Travel	30,284	8,046
Bank charges and interest	25,891	26,300
Contracted services	24,060	107,854
Vehicle	14,867	-
Telephone	8,932	9,662
Repairs and maintenance	8,307	33,391
Furniture and equipment	3,646	326
Office supplies	2,053	4,249
Bingo costs	1,037	10,053
Interest on long-term debt	793	-
Honoraria	564	-
Insurance	377	6,093
Miscellaneous	53	-
Professional fees	-	126,614
Membership support	-	30,133
Amortization	-	48,673
Transfer to BNDN Development LP	-	71,952
Education service agreement	-	548
	4,302,965	4,484,365
Surplus (deficit)	1,112,405	(255,436)



Birch Narrows Dene Nation
Education
Schedule 7 - Segment Schedule
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	3,540,557	3,605,723
MLTC Program Services Inc.	857,462	623,911
Meadow Lake Health and Social Development Authority	261,361	77,060
Northern Lights School Division	691,049	704,165
Other revenue	15,567	50,143
Rental income	15,341	72,006
	5,381,337	5,133,008
Expenses		
Education service agreement	3,004,187	2,833,820
Supplies	518,412	250,109
Student expenses	459,866	614,653
Administration	213,012	306,189
Membership support	196,574	242,209
Travel	196,285	158,674
Salaries and benefits	124,858	130,144
Amortization	107,586	114,852
Repairs and maintenance	101,750	66,257
Utilities	97,381	199,918
Vehicle	76,662	28,437
Contracted services	63,371	70,326
Honoraria	39,598	42,200
Professional development	38,585	34,577
Furniture and equipment	38,074	30,276
Professional fees	17,850	15,750
Telephone	11,687	9,142
Bank charges and interest	6,712	3,135
Office supplies	-	2,622
	5,312,450	5,153,290
Surplus (deficit)	68,887	(20,282)



Birch Narrows Dene Nation
Health
Schedule 8 - Segment Schedule
For the year ended March 31, 2024

	2024	2023
Revenue		
Meadow Lake Health and Social Development Authority	2,181,720	2,817,737
Indigenous Services Canada	1,402,795	414,379
MLTC Child and Family Services Inc.	533,203	681,613
MLTC Program Services Inc.	10,000	65,000
Other revenue	20,346	67,427
	4,148,064	4,046,156
Expenses		
Salaries and benefits	1,761,964	1,623,307
Administration	654,374	53,086
Membership support	542,608	1,076,888
Travel	343,505	239,090
Supplies	288,515	71,673
Contracted services	260,113	146,231
Professional fees	201,890	166,219
Utilities	48,197	88,491
Professional development	40,269	60,848
Telephone	38,306	35,051
Vehicle	32,652	26,315
Office supplies	24,127	38,267
Honoraria	16,343	9,854
Repairs and maintenance	16,171	53,904
Furniture and equipment	13,706	97,781
Miscellaneous	7,309	-
Insurance	2,062	-
Vehicle	638	-
Rent	-	41,600
Retail cost of sales	-	38,289
Education service agreement	-	190,020
	4,292,749	4,056,914
Deficit before transfers	(144,685)	(10,758)
Transfers between programs	(97,875)	-
Deficit	(242,560)	(10,758)



Birch Narrows Dene Nation
Infrastructure
Schedule 9 - Segment Schedule
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	773,953	822,026
Other revenue	173,036	57,538
Rental income	64,450	103,950
	1,011,439	983,514
Expenses		
Salaries and benefits	283,265	270,203
Utilities	234,540	205,014
Contracted services	159,539	71,464
Repairs and maintenance	140,530	203,244
Supplies	20,476	49,296
Membership support	19,674	-
Office supplies	19,322	-
Vehicle	16,318	-
Vehicle	14,169	21,579
Telephone	11,134	9,109
Travel	8,354	25,882
Furniture and equipment	4,757	13,053
Insurance	-	157,076
Professional development	-	1,288
	932,078	1,027,208
Surplus (deficit)	79,361	(43,694)



Birch Narrows Dene Nation
Reserves & Trusts
Schedule 10 - Segment Schedule
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	6,791	16,405
Expense		
Salaries and benefits	6,791	16,405
Surplus (deficit) before other items	-	-
Other items		
Birch Narrows Dene Nation Agricultural Benefits Settlement	47,408,500	-
Per capita distribution	(32,618,000)	-
Contribution to Birch Narrows Dene Nation Agricultural Benefits Settlement Minors Trust	(12,502,000)	-
Legal fees - Trust Settlement	(1,711,878)	-
Administrative costs	(81,322)	-
Interest on trust assets	110,000	67,261
Surplus	605,300	67,261



Birch Narrows Dene Nation
Social Services
Schedule 11 - Segment Schedule
For the year ended March 31, 2024

	2024	2023
Revenue		
MLTC Program Services Inc.	1,302,985	1,400,478
Indigenous Services Canada	13,789	-
	1,316,774	1,400,478
Expenses		
Assistance	1,306,818	1,247,033
Salaries and benefits	12,992	-
Travel	797	-
	1,320,607	1,247,033
Surplus (deficit)	(3,833)	153,445