



Birch Narrows Dene Nation
Consolidated Financial Statements
March 31, 2025



Birch Narrows Dene Nation Contents

For the year ended March 31, 2025

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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, 2025, 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, 2025, 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.

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

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.

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

August 12, 2025

MNP LLP

Chartered Professional Accountants

MNP



Birch Narrows Dene Nation
Consolidated Statement of Financial Position

As at March 31, 2025

	2025	2024
Financial assets		
Current		
Cash and cash equivalents	2,706,964	5,330,222
Restricted cash (Note 3)	4,876,198	2,426,895
Accounts receivable (Note 4)	5,332,114	5,579,529
Portfolio investments (Note 5)	11,590	11,590
Inventory for resale	245,040	245,040
Funds held in lawyers trust (Note 6)	3,945,775	3,802,261
	17,117,681	17,395,537
Due from Birch Narrows Dene Nation Development Limited Partnership (Note 7)	9,387	9,387
Investment in Nation business entity (Note 8)	2,342,954	2,580,195
Funds held in trust (Note 9)	38,769	37,509
Total financial assets	19,508,791	20,022,628
Liabilities		
Current		
Accounts payable and accruals	434,649	648,570
Deferred revenue (Note 11)	10,267,388	7,535,760
Per capita distribution payable (Note 18)	94,000	1,558,000
Current portion of long-term debt (Note 12)	329,706	307,911
	11,125,743	10,050,241
Long-term debt (Note 12)	3,216,845	2,917,370
Total financial liabilities	14,342,588	12,967,611
Net financial assets	5,166,203	7,055,017
Contingency (Note 6)		
Non-financial assets		
Tangible capital assets (Note 13) (Schedule 1)	45,963,731	41,492,123
Prepaid expenses and deposits	1,330,164	672,586
Total non-financial assets	47,293,895	42,164,709
Accumulated surplus (Note 14)	52,460,098	49,219,726

Approved on behalf of the Chief and Council

Signed by: Chief Jonathon Sylvestre

Chief

Signed by: Trevor Moberly

Councilor



Birch Narrows Dene Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2025

	<i>Schedules</i>	<i>2025 Budget (Note 17)</i>	<i>2025 Actual</i>	<i>2024 Actual</i>
Revenue				
Indigenous Services Canada (Note 15)		8,548,732	10,757,013	9,303,693
Meadow Lake Health and Social Development Authority Inc.		3,906,183	4,111,270	2,474,581
MLTC Program Services Inc.		2,221,665	2,484,856	2,765,371
MLTC Child and Family Services Inc.		365,413	690,109	533,203
First Nations Trust		200,000	438,971	491,358
CMHC subsidy		264,000	260,503	259,291
Retail sales		-	4,551,956	4,563,524
Other revenue		2,366,280	1,875,363	1,079,455
Contribution from Birch Narrows Dene Nation Membership Trust		-	960,924	-
Northern Lights School Division		-	565,660	691,049
MLTC Dividends		-	275,000	786,667
Rental income		154,350	254,117	212,163
Government of Saskatchewan		-	-	290,000
Earnings (loss) from investment in Nation business entities (Note 8)		-	(237,241)	713,343
		18,026,623	26,988,501	24,163,698
Program expenses				
Band Programs	3	940,831	1,634,120	787,092
Band Support	4	348,790	1,327,782	2,065,494
Capital	5	820,781	2,976,255	2,755,975
Economic Development	6	78,906	4,748,608	4,302,965
Education	7	5,642,918	5,798,253	5,312,450
Health	8	6,444,842	5,746,338	4,321,249
Infrastructure	9	1,154,640	1,376,421	932,078
Reserves & Trusts	10	5,645	10,967	6,791
Social Services	11	1,329,758	1,343,112	1,320,607
		16,767,111	24,961,856	21,804,701
Surplus before Trust Settlement		1,259,512	2,026,645	2,358,997
Trust Settlement				
Per capita distribution - recovery (expense) (Note 18)		-	1,070,220	(32,618,000)
Interest on trust assets		-	143,507	110,000
Birch Narrows Dene Nation Agricultural Benefits settlement		-	-	47,408,500
Administrative costs for distribution		-	-	(81,322)
Legal fees - trust settlement		-	-	(1,711,878)
Contribution to Minors Trust - per capita distribution		-	-	(12,502,000)
		-	1,213,727	605,300
Surplus		1,259,512	3,240,372	2,964,297
Accumulated surplus, beginning of year		49,219,726	49,219,726	46,255,429
Accumulated surplus, end of year		50,479,238	52,460,098	49,219,726

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, 2025

	2025 Budget (Note 17)	2025 Actual	2024 Actual
Annual surplus	1,259,512	3,240,372	2,964,297
Purchases of tangible capital assets	-	(6,564,387)	(1,620,174)
Amortization of tangible capital assets	-	2,092,779	1,839,972
	-	(4,471,608)	219,798
Acquisition of prepaid expenses and deposits	-	(657,578)	(647,726)
Increase (decrease) in net financial assets	1,259,512	(1,888,814)	2,536,369
Net financial assets, beginning of year	7,055,017	7,055,017	4,518,648
Net financial assets, end of year	8,314,529	5,166,203	7,055,017



Birch Narrows Dene Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating activities		
Surplus	3,240,372	2,964,297
Non-cash items		
Amortization	2,092,779	1,839,972
Loss (earnings) from investment in Nation business entities	237,241	(713,343)
	5,570,392	4,090,926
Changes in working capital accounts		
Accounts receivable	247,415	(2,514,697)
Restricted cash	(2,449,303)	(253,986)
Inventory held for resale	-	2
Funds held in lawyers trust	(143,514)	(110,000)
Prepaid expenses and deposits	(657,578)	(647,726)
Accounts payable and accruals	(213,921)	38,377
Deferred revenue	2,731,628	3,185,497
Per capita distribution payable	(1,464,000)	1,558,000
	3,621,119	5,346,393
Financing activities		
Advances of long-term debt	723,758	-
Repayment of long-term debt	(402,488)	(278,204)
Capital activities		
Purchases of tangible capital assets	(6,564,387)	(1,620,174)
Investing activities		
Funds held in trust	(1,260)	(1,235)
Increase (decrease) in cash resources	(2,623,258)	3,446,780
Cash resources, beginning of year	5,330,222	1,883,442
Cash resources, end of year	2,706,964	5,330,222



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

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. 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.

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

The Birch Narrows Dene Nation Membership Trust & Birch Narrows Dene Nation Agricultural Benefits Settlement Minors Trust are not included in the consolidated financial statements as these entities are administered and controlled by Trustees.

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.



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

2. Significant accounting policies (Continued from previous page)

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.

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

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



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

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

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.

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.



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

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

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.

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, 2025.

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, 2025.

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, 2025

3. Restricted cash

	2025	2024
Capital projects bank	3,848,409	1,533,190
Cold Lake Air Weapons Range Trust - annual revenue account	510,697	488,701
Term deposits	417,876	105,501
Replacement reserve bank	99,216	299,503
	4,876,198	2,426,895

4. Accounts receivable

	2025	2024
Indigenous Services Canada	2,502,792	3,447,982
Meadow Lake Health & Social Development Authority Inc.	933,426	124,315
Northern Lights School Division	565,660	1,139,770
Birch Narrows Dene Nation Membership Trust - annual revenue	462,923	165,308
Other	462,207	301,841
GST	138,736	110,447
MLTC Program Services Inc.	137,153	154,668
MLTC Child & Family Services Inc.	129,217	135,198
	5,332,114	5,579,529

5. Portfolio Investments

	2025	2024
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

6. 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.

Funds Held in Lawyers' Trust / Contingent liability

A claim has been made against the Nation that additional contingent legal fees are payable to legal counsel who represented the Dene Nation in the claim. The former legal counsel asserts that additional fees are owing banded 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 the amounts are known.



Birch Narrows Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

7. 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.

8. Investments in Nation business entity

The Dene Nation has investments in the following entity:

	<i>2025 Opening</i>	<i>Share of earnings (loss)</i>	<i>2025 Total investment</i>
Wholly-owned Businesses:			
Birch Narrows Dene Nation Development Limited Partnership	2,580,195	(237,241)	2,342,954
	<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	2,580,195

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, 2025</i>	
Assets	
Cash	1,129,063
Accounts receivable	23,858
Related party receivable	102,000
Investments	1,120,152
Property and equipment	141
Total assets	2,375,214
 Liabilities	
Accounts payable and accruals	22,873
Advances	9,387
Total liabilities	32,260
Partners' capital	2,342,954
 Total revenue	18,172
Total expenses	255,413
Net income	(237,241)



Birch Narrows Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

9. 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.

	2025	2024
Capital Trust		
Balance, beginning and end of year	6,511	6,511
Revenue Trust		
Balance, beginning of year	30,998	29,763
Interest	1,260	1,235
Balance, end of year	32,258	30,998
	38,769	37,509

10. Credit arrangements

At March 31, 2025, the Dene Nation had two lines of credit totaling \$50,000 and \$75,000 (2024 – \$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%.

11. 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	4,006,516	4,683,718	4,320,842	4,369,392
Indigenous Services Canada - capital	2,261,321	3,015,046	1,129,919	4,146,448
MLTC Program Services Inc.	149,999	110,501	126,488	134,012
Birch Narrows Dene Nation Membership Trust Revenue Account	1,117,924	1,460,536	960,924	1,617,536
	7,535,760	9,269,801	6,538,173	10,267,388



Birch Narrows Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

12. Long-term debt

	2025	2024
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.	413,589	451,493
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.	176,305	191,753
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.	347,934	401,373
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.	398,942	425,324
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.	651,123	701,234
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.	307,756	331,442
CMHC housing mortgage - Phase VIII, interest at 3.18%, maturity date of March 2045, repayable in monthly principal and interest payments of \$1,212. Secured by a ministerial guarantee.	215,058	-
Canada Mortgage and Housing Corporation advance bearing interest at the Lender's Floating Non-Profit Direct Lending Construction Rate. Balance to be termed into CMHC Phase IX mortgage on completion of the project.	364,500	-
Canada Mortgage and Housing Corporation advance bearing interest at the Lender's Floating Non-Profit Direct Lending Construction Rate. Balance to be termed into CMHC Phase X mortgage on completion of the project.	144,200	-
Royal Bank of Canada loan bearing interest at bank prime plus 1.5% (6.45%; 2024 - 8.70%), repayable in quarterly principal and interest payments of \$32,828, due February 2030.	527,144	722,662
	3,546,551	3,225,281
<u>Less: current portion</u>	<u>329,706</u>	<u>307,911</u>
	3,216,845	2,917,370

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:

2026	329,706
2027	343,000
2028	356,400
2029	391,100
2030	233,000



Birch Narrows Dene Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

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, 2025.

Project	Budget	Cumulative Costs to March 31, 2025
Road Re-Grading	1,978,392	1,901,960
Solid Waste Transfer Station	5,120,000	675,095
Water Treatment Plant	2,158,000	1,137,018
Community Centre	371,325	136,336
Contaminated Sites	350,000	32,935
Bridge Modifications	250,000	25,000
Sewage Pumping Station	100,000	44,598
Subdivision	100,000	28,229

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.

14. Accumulated surplus

Accumulated surplus consists of the following:

	2025	2024
Equity in investments	2,354,544	2,591,785
Equity in funds held in trust	38,769	37,509
Equity in CMHC reserves	819,338	745,922
Equity in tangible capital assets	42,417,180	38,266,842
Operating surplus	2,884,492	3,775,407
Undistributed Trust settlement proceeds (Note 6)	3,945,775	3,802,261
	<hr/> 52,460,098	<hr/> 49,219,726

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 owed 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.

Undistributed Trust Settlement proceeds are funds that are currently being held in Trust by lawyers on behalf of the Dene Nation.

15. Reconciliation of funding from Indigenous Services Canada

Indigenous Services Canada funding per confirmation	13,005,016
Deferred revenue - beginning of year	6,267,837
Deferred revenue - end of year	(8,515,840)
	<hr/> 10,757,013



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

16. 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.

17. Budget information

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

18. Birch Narrows Dene Nation Agricultural Benefits Settlement

In fiscal 2024, the Dene Nation received its settlement of 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 were 18 years of age or older. For those members who were 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.

At March 31, 2024 a payable was accrued for undistributed amounts owed based on eligibility criteria outlined in the Settlement Agreement. In fiscal 2025 the Nation determined that the number of members who qualify to receive a payment from the Trust was lower than initially determined. Membership eligibility and mortality were the factors that caused a revision to the estimate previously accrued as owing to the members of the Dene Nation. The results of this revision to the initial per capita distribution liability is a recovery of expenses in the 2025 financial statements.

19. 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 (2025 - \$nil; 2024 - \$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, 2025, all of the amounts receivable related to 2024/25 funding agreements other than \$1,291,331 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, three (2024 - two) entities comprise 91% of the trade receivables (2024 - 82% 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.



Birch Narrows Dene Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

19. Financial Instruments *(Continued from previous page)*

Interest rate risk *(Continued from previous page)*

The Dene Nation is exposed to interest rate risk primarily through its cash 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 and 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.

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.

20. 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, 2025

	<i>Buildings</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Assets under construction</i>	2025	2024
<hr/>						
Cost						
Balance, beginning of year	50,188,326	3,293,950	13,342,125	2,851,252	69,675,653	68,055,479
Acquisition of tangible capital assets	3,232,995	596,673	1,604,800	1,129,919	6,564,387	1,620,174
Balance, end of year	53,421,321	3,890,623	14,946,925	3,981,171	76,240,040	69,675,653
Accumulated amortization						
Balance, beginning of year	21,117,682	2,599,545	4,466,303	-	28,183,530	26,343,558
Annual amortization	1,194,387	308,456	589,936	-	2,092,779	1,839,972
Balance, end of year	22,312,069	2,908,001	5,056,239	-	30,276,309	28,183,530
Net book value of tangible capital assets	31,109,252	982,622	9,890,686	3,981,171	45,963,731	41,492,123
Net book value of tangible capital assets 2024	29,102,930	777,062	8,760,879	2,851,252	41,492,123	



Birch Narrows Dene Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2025

	2025	2024
Salaries and benefits	4,487,306	3,796,360
Retail cost of sales	3,725,717	3,636,561
Education service agreement	3,362,271	3,004,187
Amortization	2,092,779	1,839,972
Contracted services	1,570,540	880,299
Supplies	1,615,791	1,161,808
Travel	1,377,661	1,090,331
Assistance	1,238,911	1,306,818
Membership support	1,109,342	1,505,211
Professional fees	981,188	727,343
Utilities	594,972	413,920
Honoraria	572,570	286,183
Furniture and equipment	424,052	174,486
Student expenses	321,105	458,866
Repairs and maintenance	318,533	596,916
Insurance	306,267	149,588
Professional development	178,909	142,267
Fuel	169,115	175,571
Interest on long-term debt	133,862	112,875
Telephone	118,596	139,723
Bank charges and interest	78,916	50,891
Miscellaneous	60,059	13,582
Office supplies	46,413	119,325
Bingo costs	31,348	1,037
Vehicle	30,182	18,581
Rent	15,450	2,000
	24,961,855	21,804,701



Birch Narrows Dene Nation
Band Programs
Schedule 3 - Segment Schedule
For the year ended March 31, 2025

	2025	2024
Revenue		
Indigenous Services Canada	2,012,330	164,825
First Nations Trust	438,971	491,358
MLTC Program Services Inc.	248,540	299,725
Other revenue	755,070	49,994
MLTC dividends	275,000	-
Rental income	200	-
Government of Saskatchewan	-	290,000
	3,730,111	1,295,902
Expenses		
Membership support	392,527	197,217
Professional fees	312,659	33,929
Salaries and benefits	269,777	334,640
Travel	151,780	31,062
Contracted services	122,645	19,005
Administration	105,822	8,997
Interest on long-term debt	92,150	28,516
Supplies	49,982	42,322
Professional development	45,259	4,685
Utilities	41,883	-
Fuel	16,982	11,109
Student expenses	9,908	-
Honoraria	8,903	1,294
Furniture and equipment	7,138	64,927
Office supplies	5,175	-
Repairs and maintenance	1,000	3,350
Bank charges and interest	280	-
Telephone	200	6,039
Miscellaneous	50	-
	1,634,120	787,092
Surplus before transfers	2,095,991	508,810
Transfers between programs	(752,134)	-
Surplus	1,343,857	508,810



Birch Narrows Dene Nation
Band Support
Schedule 4 - Segment Schedule
For the year ended March 31, 2025

	2025	2024
Revenue		
Indigenous Services Canada	759,124	1,116,421
MLTC Program Services Inc.	235,368	241,037
Meadow Lake Health and Social Development Authority	6,500	6,500
Contribution from Birch Narrows Dene Nation Trust	960,924	-
Other revenue	632,911	718,269
MLTC dividends	-	786,667
	2,594,827	2,868,894
Expenses		
Salaries and benefits	738,357	724,243
Honoraria	268,600	270,025
Travel	250,734	467,698
Contracted services	214,961	83,823
Professional fees	196,467	463,699
Insurance	111,444	112,149
Miscellaneous	53,303	6,220
Supplies	36,987	82,138
Bank charges and interest	34,221	16,829
Furniture and equipment	33,955	51,376
Professional development	26,517	58,728
Telephone	22,636	61,581
Membership support	19,015	482,231
Office supplies	9,816	73,823
Repairs and maintenance	2,700	70
Vehicle	1,923	1,625
Fuel	1,245	22,652
Student expenses	600	-
Utilities	-	778
Administration (allocation)	(695,699)	(914,194)
	1,327,782	2,065,494
Surplus before transfers	1,267,045	803,400
Transfers between programs	(875,924)	97,875
Surplus	391,121	901,275



Birch Narrows Dene Nation
Capital
Schedule 5 - Segment Schedule
For the year ended March 31, 2025

	2025	2024
Revenue		
Indigenous Services Canada	1,791,068	2,284,562
MLTC Child and Family Services Inc.	225,182	-
CMHC subsidy	260,503	259,291
Rental income	132,697	132,372
Other revenue	86,628	14,402
	2,496,078	2,690,627
Expenses		
Amortization	1,976,500	1,732,386
Supplies	298,136	144,456
Contracted services	281,576	270,388
Salaries and benefits	140,920	100,304
Repairs and maintenance	83,986	326,738
Insurance	44,719	35,000
Interest on long-term debt	41,712	83,566
Furniture and equipment	27,165	-
Travel	23,560	11,403
Professional fees	16,275	9,975
Administration	15,000	35,520
Utilities	10,342	-
Honoraria	5,600	-
Professional development	5,190	-
Miscellaneous	2,400	-
Telephone	1,827	2,044
Fuel	927	3,460
Bank charges and interest	420	735
	2,976,255	2,755,975
Deficit before transfers	(480,177)	(65,348)
Transfers between programs	1,563,803	-
Surplus (deficit)	1,083,626	(65,348)



Birch Narrows Dene Nation
Economic Development
Schedule 6 - Segment Schedule
For the year ended March 31, 2025

	2025	2024
Revenue		
MLTC Program Services Inc.	53,906	53,162
Retail sales	4,551,956	4,563,524
Other revenue	117,162	85,341
Earnings (loss) from investment in Nation business entity	(237,241)	713,343
	4,485,783	5,415,370
Expenses		
Retail cost of sales	3,725,717	3,636,561
Salaries and benefits	565,908	447,303
Supplies	62,235	64,489
Furniture and equipment	49,442	3,646
Utilities	45,922	33,024
Amortization	44,558	-
Repairs and maintenance	44,079	8,307
Administration	40,706	-
Bank charges and interest	38,061	26,615
Insurance	35,138	377
Bingo costs	31,348	1,037
Travel	22,951	30,284
Contracted services	15,561	24,060
Professional fees	10,937	-
Telephone	7,880	8,932
Office supplies	4,396	2,053
Membership support	1,827	-
Professional development	884	-
Fuel	507	14,867
Miscellaneous	370	53
Honoraria	181	564
Interest on long-term debt	-	793
	4,748,608	4,302,965
Surplus (deficit)	(262,825)	1,112,405



Birch Narrows Dene Nation
Education
Schedule 7 - Segment Schedule
For the year ended March 31, 2025

	2025	2024
Revenue		
Indigenous Services Canada	3,611,659	3,540,557
Meadow Lake Health and Social Development Authority	300,944	261,361
MLTC Program Services Inc.	594,519	857,462
Northern Lights School Division	565,660	691,049
Rental income	43,261	15,341
Other revenue	29,684	15,567
	5,145,727	5,381,337
Expenses		
Education service agreement	3,362,271	3,004,187
Salaries and benefits	443,965	124,858
Supplies	467,611	519,412
Student expenses	310,472	458,866
Travel	221,707	196,285
Administration	189,506	213,012
Utilities	184,126	97,381
Membership support	104,278	222,472
Contracted services	73,035	63,371
Amortization	71,721	107,586
Professional development	67,717	38,585
Furniture and equipment	67,065	38,074
Honoraria	65,884	13,700
Repairs and maintenance	63,548	101,750
Professional fees	37,452	17,850
Fuel	30,623	76,662
Insurance	24,349	-
Telephone	9,300	11,687
Bank charges and interest	3,623	6,712
	5,798,253	5,312,450
Surplus (deficit)	(675,555)	68,887



Birch Narrows Dene Nation
Health
Schedule 8 - Segment Schedule
For the year ended March 31, 2025

	2025	2024
Revenue		
Indigenous Services Canada	1,527,020	1,402,795
Meadow Lake Health and Social Development Authority	3,803,825	2,206,720
MLTC Child and Family Services Inc.	464,927	533,203
MLTC Program Services Inc.	16,000	11,000
Other revenue	156,694	22,846
	5,968,466	4,176,564
Expenses		
Salaries and benefits	1,953,727	1,761,964
Travel	655,680	344,448
Supplies	607,525	288,515
Membership support	587,793	583,617
Contracted services	525,295	260,113
Professional fees	345,225	201,890
Administration	339,437	656,665
Furniture and equipment	220,884	11,706
Honoraria	210,057	600
Fuel	78,281	32,652
Utilities	74,079	48,197
Telephone	38,296	38,306
Professional development	29,233	40,269
Office supplies	26,192	24,127
Insurance	18,123	2,062
Repairs and maintenance	17,963	16,171
Rent	14,700	2,000
Vehicle	2,754	638
Bank charges and interest	1,012	-
Miscellaneous	82	7,309
	5,746,338	4,321,249
Surplus (deficit) before transfers	222,128	(144,685)
Transfers between programs	87,284	(97,875)
Surplus (deficit)	309,412	(242,560)



Birch Narrows Dene Nation
Infrastructure
Schedule 9 - Segment Schedule
For the year ended March 31, 2025

	2025	2024
Revenue		
Indigenous Services Canada	944,244	773,953
Other revenue	90,623	173,036
Rental income	77,958	64,450
	1,112,825	1,011,439
Expenses		
Contracted services	325,327	159,539
Salaries and benefits	289,427	283,265
Utilities	238,620	234,540
Repairs and maintenance	105,256	140,530
Supplies	92,881	20,476
Insurance	72,494	-
Professional fees	62,173	-
Travel	40,735	8,354
Fuel	40,426	14,169
Telephone	38,207	11,134
Vehicle	25,505	16,318
Furniture and equipment	18,402	4,757
Honoraria	13,345	-
Administration	5,228	-
Membership support	3,801	19,674
Professional development	2,290	-
Bank charges and interest	1,300	-
Rent	750	-
Miscellaneous	254	-
Office supplies	-	19,322
	1,376,421	932,078
Surplus (deficit)	(263,596)	79,361



Birch Narrows Dene Nation
Reserves & Trusts
Schedule 10 - Segment Schedule
For the year ended March 31, 2025

	2025	2024
Revenue		
Indigenous Services Canada	7,367	6,791
Other revenue	6,595	-
	13,962	6,791
Expenses		
Salaries and benefits	6,533	6,791
Miscellaneous	3,600	-
Office supplies	834	-
	10,967	6,791
Surplus before Trust Settlement	2,995	-
Trust Settlement		
Birch Narrows Dene Nation Agricultural Benefits Settlement	-	47,408,500
Per capita distribution - recovery (expense) (Note 18)	1,070,220	(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	143,507	110,000
	1,213,727	605,300
Surplus	1,216,722	605,300



Birch Narrows Dene Nation
Social Services
Schedule 11 - Segment Schedule
For the year ended March 31, 2025

	2025	2024
Revenue		
Indigenous Services Canada	104,201	13,789
MLTC Program Services Inc.	1,336,523	1,302,985
	1,440,724	1,316,774
Expenses		
Assistance	1,238,911	1,306,818
Salaries and benefits	78,691	12,992
Contracted services	12,140	-
Travel	10,515	797
Professional development	1,820	-
Supplies	434	-
Telephone	250	-
Student expenses	125	-
Fuel	125	-
Membership support	101	-
	1,343,112	1,320,607
Surplus (deficit)	97,612	(3,833)