

Non-Consolidated Financial Statements of

BIGSTONE CREE NATION

And Independent Auditor's Report thereon

Year ended March 31, 2024

BIGSTONE CREE NATION

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying non-consolidated financial statements of Bigstone Cree Nation (the "Nation") are the responsibility of management and have been approved by the Chief and Council.

The non-consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The non-consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the non-consolidated financial statements are presented fairly, in all material respects.

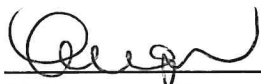
Management maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Nation's non-consolidated assets are appropriately accounted for and adequately safeguarded.

Those charged with governance are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the non-consolidated financial statements. This responsibility is carried out principally through the Chief and Council.

The Chief and Council review and approve the non-consolidated financial statements. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the non-consolidated financial statements and the external auditors' report. The Chief and Council also approves the engagement of the external auditor.

The non-consolidated financial statements have been audited by the independent firm KPMG LLP in accordance with Canadian generally accepted auditing standards, and express their opinion on the non-consolidated financial statements. The external auditors have full and free access to management of Bigstone Cree Nation and meet when required. Their report to the Chief and Council of the Nation, stating the scope of their examination and opinion on the non-consolidated financial statements, follows.

On behalf of Bigstone Cree Nation:



Melba Auger, Finance Manager



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Edmonton, AB T5J 0H3
Canada
Telephone 780 429 7300
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INDEPENDENT AUDITOR'S REPORT

To the Chief and Council of Bigstone Cree Nation

Opinion

We have audited the non-consolidated financial statements of Bigstone Cree Nation (the Entity), which comprise:

- the non-consolidated statement of financial position as at March 31, 2024
- the non-consolidated statement of operations and accumulated surplus for the year then ended
- the non-consolidated statement of change in net financial assets for the year then ended
- the non-consolidated statement of cash flows for the year then ended
- and notes to the non-consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the non-consolidated financial position of the Entity as at March 31, 2024 and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

Canadian public sector accounting standards require the disclosure of budget information in the financial statements. As the Entity did not prepare presentable budget information for the year ended March 31, 2023, these required disclosures have not been provided.

We are independent of the Entity 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.

Emphasis of Matter - Financial Reporting Framework

We draw attention to Note 1(a) to the financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements. As a result, the financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.



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

Management is responsible for the preparation of the financial statements in accordance with Canadian accounting standards for private enterprises in the financial statements; this includes determining that the applicable financial reporting framework is an acceptable basis for the preparation of the financial statements in the circumstances, 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 financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a single, long, horizontal stroke.

Chartered Professional Accountants

Edmonton, Canada

August 25, 2025

BIGSTONE CREE NATION

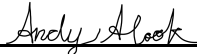
Non-Consolidated Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 43,584,512	\$ 42,311,506
Restricted cash (note 2)	1,132,090	1,079,163
Temporary investments (note 3)	1,041,049	2,041,049
Accounts receivable (note 4)	5,699,987	6,377,078
Due from related parties (note 5)	15,258,242	13,296,878
Trust funds held by federal government (note 6)	279,064	564,039
Investment in subsidiaries, at cost (note 7)	122	122
	<u>66,995,066</u>	<u>65,669,835</u>
Liabilities:		
Accounts payable and accrued liabilities (note 8)	12,159,785	3,230,362
Government transfers repayable (note 9)	436,430	1,393,434
Deferred revenue (note 10)	36,441,813	39,386,555
Long-term debt (note 11)	8,713,999	8,249,266
	<u>57,752,027</u>	<u>52,259,617</u>
Net financial assets	9,243,039	13,410,218
Non-financial assets:		
Prepaid expenses and deposits	898,159	853,385
Tangible capital assets (note 12)	112,907,867	87,857,289
	<u>113,806,026</u>	<u>88,710,674</u>
Basis of accounting (note 1(a))		
Commitments, contingencies and guarantees (note 17)		
Subsequent event (note 20)		
Accumulated surplus (note 13)	<u>\$ 123,049,065</u>	<u>\$ 102,120,892</u>

See accompanying notes to non-consolidated financial statements.

Approved by Bigstone Cree Nation:



Chief



Council Member

BIGSTONE CREE NATION

Non-Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2024, with comparative information for 2023

	2024 Budget (note 1(q))	2024 Actual	2023 Actual
Revenue (Schedule 1):			
Government transfers received (note 14)	\$ 29,329,185	\$ 67,532,942	\$ 74,515,892
Net deferrals recognized	13,096,468	3,880,024	2,173,457
Government transfers to be repaid	-	(121,680)	(681,673)
	42,425,653	71,291,286	76,007,676
Amounts earned and held in trust by federal government	-	396,648	825,503
Distributions from trusts	-	1,342,383	1,632,267
Local government fees	1,208,000	1,279,547	1,736,750
Loss on disposition of tangible capital assets	-	-	(43,305)
Other income (note 15)	1,978,404	3,486,150	1,715,330
Property taxes	187,751	394,834	434,358
User fees, rent and sales of services	7,451,963	6,258,221	7,110,812
	53,251,771	84,449,069	89,419,391
Expenses (Schedule 1):			
Education and child development	30,889,119	29,975,619	27,589,302
Administration and governance	9,468,537	11,193,121	10,103,996
Housing	5,057,282	6,508,941	6,076,626
Public works and fire department	6,410,000	8,799,450	10,841,567
Economic development	762,329	1,578,617	1,877,450
Social	444,093	2,985,171	2,773,168
Human resource development	-	1,055,369	1,725,283
Lands	2,082,156	1,424,608	651,509
	55,113,516	63,520,896	61,638,901
Annual (deficit) surplus	(1,861,745)	20,928,173	27,780,490
Accumulated surplus, beginning of year	102,120,892	102,120,892	74,340,402
Accumulated surplus, end of year	\$ 100,259,147	\$ 123,049,065	\$ 102,120,892

See accompanying notes to non-consolidated financial statements.

BIGSTONE CREE NATION

Non-Consolidated Statement of Change in Net Financial Assets

Year ended March 31, 2024, with comparative information for 2023

	Budget	2024	2023
Annual surplus	\$ (1,861,745)	\$ 20,928,173	\$ 27,780,490
Acquisition of tangible capital assets	-	(31,255,631)	(32,129,320)
Proceeds on disposition of tangible capital assets	-	-	32,261
Loss on disposition of tangible capital assets	-	-	43,305
Amortization of tangible capital assets	-	6,205,053	5,637,921
	(1,861,745)	(4,122,405)	1,364,657
Increase in prepaid expenses and deposits	-	(44,774)	(221,808)
(Decrease) increase in net financial assets	(1,861,745)	(4,167,179)	1,142,849
Net financial assets, beginning of year	13,410,218	13,410,218	12,267,369
Net financial assets, end of year	\$ 11,548,473	\$ 9,243,039	\$ 13,410,218

See accompanying notes to non-consolidated financial statements.

BIGSTONE CREE NATION

Non-Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash and cash equivalents provided by (used in):		
Operating transactions:		
Annual surplus	\$ 20,928,173	\$ 27,780,490
Items which do not involve cash:		
Amortization of tangible capital assets	6,205,053	5,637,921
Loss on disposal of tangible capital assets	-	43,305
Changes in non-cash operating working capital:		
Accounts receivable	677,091	(3,959,300)
Accounts payable and accrued liabilities	8,929,423	(2,040,219)
Government transfers repayable	(957,004)	(125,834)
Deferred revenue	(2,944,742)	(1,752,248)
Prepaid expenses and deposits	(44,774)	(221,808)
	32,793,220	25,362,307
Capital transactions:		
Acquisition of tangible capital assets	(31,255,631)	(32,129,320)
Proceeds on disposition of tangible capital assets	-	32,261
	(31,255,631)	(32,097,059)
Investing transactions:		
Redemption (purchase) of temporary investments	1,000,000	(40,951)
Trust funds held by federal government	284,975	428,032
	1,284,975	387,081
Financing transactions:		
Repayments of long-term debt	(1,023,904)	(1,101,593)
Advances to related parties, net of repayments	(1,961,364)	(3,068,372)
Proceeds from long-term debt	1,488,637	662,100
	(1,496,631)	(3,507,865)
Increase (decrease) in cash and cash equivalents	1,325,933	(9,855,536)
Cash and cash equivalents, beginning of year	43,390,669	53,246,205
Cash and cash equivalents, end of year	\$ 44,716,602	\$ 43,390,669
Cash and cash equivalents is comprised of:		
Cash and cash equivalents	\$ 43,584,512	\$ 42,311,506
Restricted cash	1,132,090	1,079,163
	\$ 44,716,602	\$ 43,390,669
Supplementary information:		
Interest received	\$ 1,649,616	\$ 1,199,291
Interest paid	274,850	192,307
	\$ 1,924,466	\$ 1,391,598

See accompanying notes to non-consolidated financial statements.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2024

Bigstone Cree Nation ("BCN") is a First Nation established under the First Nations Act of Canada and represents the Bigstone Cree in Wabasca-Desmarais and the communities of Calling Lake and Chipewyan Lake.

1. Significant accounting policies:

Significant aspects of the accounting policies adopted by BCN are as follows:

(a) Basis of accounting:

These non-consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS") except that they have been prepared on a non-consolidated basis. PSAS prescribes that the government reporting entity should comprise government components and those organizations that are controlled by the government. BCN has not prepared general-purpose financial statements. Rather, these financial statements do not include the assets and liabilities of those organizations it controls or the investments in government business enterprises. Therefore, these financial statements are special-purpose non-consolidated financial statements designed for the purpose of Chief and Council, management of BCN, its lenders and entities that provide funding to the BCN to assist them in oversight of BCN and its financial performance.

As a result, the special-purpose non-consolidated financial statements may not be suitable for any other purpose.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(b) Reporting entity:

These non-consolidated financial statements include BCN's operations. BCN is comprised of a number of related entities that are accountable to BCN for the administration of their financial affairs and resources but are not included in these non-consolidated financial statements. The following are entities BCN has 100% beneficial interest directly or the interest is held in trust for BCN or by the Chief and Council of BCN:

Entity	Year end
Bigstone Advisory Elders Society	March 31
Bigstone Business Trust	December 31
Bigstone Health Commission	March 31
Bigstone Cree Nation Business Trust	December 31
Bigstone Cree Nation Child and Family Services Society	March 31
Bigstone Economic Holdings Ltd.	March 31
Bigstone Education Authority Society	March 31
Bigstone Evergreen Foundation	March 31
Bigstone Health Holdings Ltd.	March 31
Bigstone Forestry Inc.	April 30
Bigstone Opasikoniwew Housing Authority	March 31
Kee Wee Tin Nok Transport Ltd.	March 31
Kituskeenow Holdings Corporation	March 31
Mistassini Housing Corporation	March 31
Neepinise Family Healing Centre Society	March 31
Pekewe Service Society	March 31

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(b) Reporting entity (continued):

BCN established trusts to administer, manage, and invest trust property on behalf of the beneficiaries who are the present and future members and affiliates of BCN. The following trust's properties are not included in these non-consolidated financial statements:

Entity	Year end
Bigstone Cree Nation Trust	December 31
Bigstone Cree Nation Children's Trust	December 31
Calling Lake Community Trust	December 31
Chipewyan Lake Community Trust	December 31
Off Reserve Members' and Affiliates' Trust	December 31
Wabasca/Desmarais Community Trust	December 31

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(d) Temporary investments:

Temporary investments consist of guaranteed investment certificates. Temporary investments are accounted for at fair value. Where there is a permanent loss in value, the investment value is written down to recognize the loss, with the corresponding write-down reflected in the non-consolidated statement of operations and accumulated surplus.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(e) Revenue recognition:

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except where the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation which meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the non-consolidated statement of operations as the obligations related to the stipulations are met.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for the specific purpose.

Investment income is recognized as revenue when earned. Investment transactions are accounted for as of the trade date. Interest income is accrued daily, and dividend income is recognized on the dividend declaration date. Realized gains and losses from transactions are calculated on an average cost basis.

Royalties, property taxes, rent, and other fees and charges are accounted for in the year in which the transactions or events occurred that gave rise to the revenue if the performance obligation has been satisfied and the collection of the amount to be received is reasonably assured.

(f) Funding recoveries and reimbursements:

Funding received from government sources in the form of conditional transfer payments are subject to recovery, by the government, of unexpended balances or unallowable expenses. The government may also reimburse over expenditures upon determining adherence to the terms and conditions of payment for a specific purpose. Recoveries and reimbursements are accounted for when they are paid or payable and received or receivable.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(g) Allocation of expenses:

BCN records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program.

BCN allocates certain of its general support expenses by identifying the appropriate basis of allocating each expense.

(h) Employee benefits:

BCN participates in a defined contribution plan covering all salary employees. Contributions to the pension plan are based on the participants' contributions of their salary. BCN matches the participants' contribution to a maximum of 7% of their salary. The assets and liabilities of this plan is not recognized in BCN's non-consolidated financial statements. There have been no changes to the pension plan in the current year.

(i) Related party transactions:

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel and Chief and Council, as well as their close family members. As of March 31, 2024, BCN is not aware of any material related party transactions aside from those already disclosed in note 5.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(j) Financial instruments:

Financial instruments originating in an arm's length transaction are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all temporary investments at fair value as they are managed and evaluated on a fair value basis.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest method.

All financial instrument assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the non-consolidated statement of operations.

Fair value measurements are classified using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(k) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are recorded at fair value using the exchange rate at the financial reporting date. In the period of settlement, the realized foreign exchange gains and losses are recognized in the non-consolidated statement of operations and accumulated surplus.

(l) Loan and line of credit guarantees:

BCN provides loan guarantees for various related entities, which are not included as part of BCN's non-consolidated financial statements. As the guarantees represent potential financial commitments for BCN, these amounts are considered contingent liabilities and not formally recognized as liabilities until BCN considers it likely for the borrower to default on its obligation and the amount of the liability can be estimated. BCN monitors the status of the entities, loans, and lines of credit annually and in the event that payment by BCN is likely to occur, a provision will be recognized in the non-consolidated financial statements.

(m) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of tangible capital assets is amortized over their expected useful lives using the below methods and annual rates. Tangible capital assets under construction are not amortized until the asset is substantially complete and available for use.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(m) Non-financial assets (continued):

(i) Tangible capital assets:

Asset	Method	Rate
Buildings	Declining balance	5%
Land improvements	Straight-line	10 years
Infrastructure	Declining balance	5%
Mobile homes	Straight-line	10 years
Vehicles	Declining balance	30%
Equipment	Declining balance	20%
Computer equipment	Declining balance	20% to 30%
Fences and signs	Declining balance	10%
Furniture and fixtures	Declining balance	20%

When management determines that a tangible capital asset no longer contributes to BCN's ability to provide services or that the value of the future benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is written down.

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of the receipt and also are recorded as revenue.

(iii) Lands and natural resources:

Lands received as part of the Settlement Agreement and natural resources that have not been purchased are not recognized as assets in these non-consolidated financial statements.

(iv) Works of art and cultural and historic assets:

Works of art, cultural and historic assets are not recognized as assets in these non-consolidated financial statements.

(v) Interest capitalization:

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(n) Contaminated sites (continued):

(vi) Leased tangible capital assets:

Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(n) Contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of a contaminated site is recognized when all of the following criteria are met:

- a) an environmental standard exists,
- b) contamination exceeds the environmental standard,
- c) BCN is directly responsible or accepts responsibility for the contamination,
- d) it is expected that future economic benefits will be given up, and
- e) a reasonable estimate of the liability can be made

(o) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) the past transaction or event giving rise to the liability has occurred;
- c) it is expected that future economic benefits will be given up; and
- d) a reasonable estimate of the amount can be made.

The recognition of a liability results in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is amortized in accordance with the amortization policies outlined in note 1(m)(i).

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(p) Use of estimates:

The preparation of non-consolidated financial statements 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 non-consolidated financial statements, and the reported amounts of revenues and expenses during the year. Items subject to such estimates and assumptions include those related to the determination of provisions for accounts receivable, useful lives of tangible capital assets, asset retirement obligations, and contingencies. Actual results could differ from those estimates.

(q) Budget:

The original budget, stated in the non-consolidated statement of operations and Accumulated Surplus, represents the department budgets approved by Chief and Council on May 15, 2023. Any budget amendments subsequently completed have not been included.

(r) Changes in accounting policies:

On April 1, 2023, BCN adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and measurement. For the year ended March 31, 2024, BCN determined that the adoption of this new standard did not have an impact on the amounts presented in the non-consolidated financial statements.

On April 1, 2023, BCN adopted Public Sector Guideline 8 - Purchased Intangibles. This new guideline allows public sector entities to recognize intangible purchases through an exchange transaction. BCN adopted the standard prospectively. The implementation of this new standard did not result in identification of assets that would meet the definition of purchased intangibles.

On April 1, 2023, BCN adopted Canadian public sector accounting standard PS 3160 - Public Private Partnerships ("P3"). This new accounting standard identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the P3 term. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. BCN adopted the standard prospectively. The implementation of this new standard did not result in identification of transactions that would meet the definition of P3.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(s) Future accounting pronouncements:

These standards and amendments were not effective for the year ended March 31, 2024, and have therefore not been applied in preparing these non-consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future non-consolidated financial statements.

(i) Concepts Underlying Financial Performance. The revised conceptual framework will replace the existing conceptual framework, which consists of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework is to be adopted prospectively. This revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026.

(ii) PS 1202, Financial Statement Presentation, will replace the current section PS 1201. BCN is currently assessing the impact of this standard on the future non-consolidated financial statements. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026.

(ii) PS 3251, Employee Benefits, will replace the current sections PS 3250 and PS 3255. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

2. Restricted cash:

Restricted cash includes \$1,132,090 (2023 - \$1,079,163) restricted to fund the CMHC replacement reserve (note 13(ii)).

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

3. Temporary investments:

	2024	2023
Guaranteed investment certificates, bearing interest at 2.5% to 2.75% (2023 - 1.2% to 2.85%) per annum with maturity dates of June 2024 (2023 - May 2023 to October 2023).	\$ 1,041,049	\$ 2,041,049
	\$ 1,041,049	\$ 2,041,049

The guaranteed investment certificates are classified as level 2 information to determine the fair value measurement.

4. Accounts receivable:

	2024	2023
Trade receivables	\$ 6,222,483	\$ 6,476,483
First Nations Development Fund	1,954,687	2,359,066
Indigenous Services Canada	2,114,952	1,021,816
Trade accounts receivable, CMHC Section 95 units	2,583,746	2,397,831
Goods and services tax receivable	241,376	287,047
Other contributions receivable	-	1,002,301
	13,117,244	13,544,544
Allowance for doubtful accounts, trade accounts receivable	(4,833,511)	(4,769,635)
Allowance for doubtful accounts, CMHC Section 95 units	(2,583,746)	(2,397,831)
	\$ 5,699,987	\$ 6,377,078

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

5. Due from (to) related parties:

	2024	2023
Mistassini Aboriginal Contractors Ltd.	\$ 6,834,000	\$ 6,814,000
Bigstone Truckstop Ltd.	1,987,459	1,912,459
Bigstone Lot 25 Limited Partnership	1,714,378	1,687,323
Bigstone Evergreen	1,762,631	1,072,773
Bigstone Store Ltd.	521,647	651,970
Bigstone Oilfield Services and Supplies Ltd.	808,836	416,606
Bigstone Oil and Gas Ltd.	341,594	341,594
Keyanew Enterprises Ltd.	143,299	143,299
Bigstone Health Holdings	103,475	103,475
Bigstone Cree Nation Trust	52,259	70,140
Chipewyan Lake Community Trust	50,198	59,685
Calling Lake Community Trust	38,970	48,192
Off Reserve Members' and Affiliates' Trust	20,247	31,806
Wabasca Desmarais Community Trust	24,479	34,447
Other entities	32,654	32,656
Bigstone Health Commission	731,794	(193,387)
Bigstone Forestry Inc.	159,900	99,900
Bigstone Cree Nation	(32,597)	-
Bigstone Cree Nation Child and Family Services Society	77,866	-
JB Gambler 183 Store Ltd.	13,000	-
Neepinise Family Centre Healing Society	(285,413)	(38,363)
Bigstone Advisory Elders Society	45,289	45,289
Pekewe Services Society	18,862	(1,138)
Bigstone Forestry Limited Partnership	52,300	3,037
S11 Logging	41,115	(38,885)
	\$ 15,258,242	\$ 13,296,878

The parties listed above are all related by way of being commonly controlled or owned by BCN.

The amounts due from (to) related parties are unsecured, non-interest bearing and with no scheduled terms of repayment.

These transactions are in the normal course of operations and are measured at the exchange amount as determined and agreed to by the related parties.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

5. Due from (to) related parties (continued):

During the year, BCN charged administration fees to specific related entities in the total amount of \$480,000 (2023 - \$1,214,000). The amounts were as follows: Bigstone Forestry Inc. \$60,000 (2023 - \$60,000); Neepinise Family Centre Healing Society \$60,000 (2023 - nil); Bigstone Cree Nation Child and Family Services Society \$120,000 (2023 - \$60,000); S11 Logging nil (2023 - \$80,000); Bigstone Oilfield Services and Supplies Ltd. \$60,000 (2023 - \$60,000); Mistassini Aboriginal Contractors Ltd. nil (2023 - \$834,000); Bigstone Health Commission \$120,000 (2023 - \$60,000); and Bigstone Truckstop Ltd. \$60,000 (2023 - \$60,000).

6. Trust funds held by federal government:

	2024	2023
Capital fund:		
Balance, beginning of year	\$ 153,460	\$ 110,474
Earnings for the year	65,770	145,427
Transfers	-	(102,441)
Balance, end of year	219,230	153,460
Revenue fund:		
Balance, beginning of year	410,579	881,597
Earnings for the year	330,878	680,075
Transfers	(681,623)	(1,151,093)
Balance, end of year	59,834	410,579
	\$ 279,064	\$ 564,039

Trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Section 63 to 69 of the *Indian Act*.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

7. Investments in subsidiaries, at cost:

Investments in subsidiaries are recorded at cost and are comprised of the following entities:

	2024	2023
Bigstone Forestry Inc.	\$ 100	\$ 100
Bigstone Economic Holdings Ltd.	11	11
Bigstone Health Holdings Ltd.	11	11
	\$ 122	\$ 122

8. Accounts payable and accrued liabilities:

	2024	2023
Trade - general	\$ 1,870,180	\$ 1,129,946
Trade - education	5,499,876	451,379
Accrued liabilities	435,318	1,064,433
Construction holdbacks	3,780,933	117,574
Damage deposits	176,901	165,195
Other	362,777	202,565
Wages and benefits payable	33,800	99,270
	\$ 12,159,785	\$ 3,230,362

9. Government transfers repayable:

	2024	2023
Government of Canada:		
Indigenous Services Canada:		
Social Services	\$ 146,763	\$ 200,050
Finance and Administration	257,987	562,649
Public Works and Fire Department - Operating	31,680	630,735
	\$ 436,430	\$ 1,393,434

The amounts owing are unsecured, non-interest bearing and with no scheduled terms of repayment.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

10. Deferred revenue:

	Balance, beginning of year	Contributions received	Contributions brought into revenue	Balance, end of year
Government of Canada:				
Indigenous Services				
Canada	\$ 29,024,736	\$ 57,691,709	\$ (59,408,359)	\$ 27,308,086
Service Canada	2,461,135	2,930,139	(1,154,820)	4,236,454
CMHC	3,112,507	1,023,902	(4,136,409)	-
Heritage Canada	139,525	841,500	(139,525)	841,500
	34,737,903	62,487,250	(64,839,113)	32,386,040
Province of Alberta:				
First Nations Development				
Fund	1,102,404	1,348,275	(310,127)	2,140,552
Other transfers and unearned revenue	3,546,248	3,579,919	(5,210,946)	1,915,221
	\$ 39,386,555	\$ 67,415,444	\$ (70,360,186)	\$ 36,441,813

BCN's deferred revenue relates to funds that have been received by the specific funders indicated for a number of programs or projects that have not yet been undertaken or completed as of March 31, 2024.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

11. Long-term debt:

A Band Council Resolution (BCR) authorizing each loan, the security and the terms of credit is required. Long-term debt is comprised of the following:

	2024	2023
<u>CMHC Housing Projects</u>		
CMHC Section 95 mortgage on 10 unit project bearing interest at 1.22% per annum, repayable at \$3,635 per month including interest, due May 2031	\$ 299,280	\$ 338,993
CMHC Section 95 mortgage on 5 unit project bearing interest at 1.57% per annum, repayable at \$1,639 per month including interest, due July 2026	45,044	63,849
CMHC Section 95 mortgage on handicap units bearing interest at 0.70% per annum, repayable at \$631 per month including interest, due May 2025	8,788	16,264
CMHC Section 95 mortgage on 43 unit project bearing interest at 1.73% per annum, repayable at \$28,016 per month including interest, due November 2028	1,506,408	1,813,675
CMHC Section 95 mortgage on 3 unit project bearing interest at 3.81% per annum, repayable at \$1,780 per month including interest, due January 2033	160,170	175,145
CMHC Section 95 mortgage on 6 unit project bearing interest at 3.74% per annum, repayable at \$4,108 per month including interest, due April 2028	186,502	228,347
CMHC Section 95 mortgage on 11 unit project bearing interest at 0.82% per annum, repayable at \$3,967 per month including interest, due July 2024	15,843	63,111
CMHC Section 95 mortgage on 9 unit project bearing interest at 1.57% per annum, repayable at \$2,946 per month including interest, due August 2026	83,787	117,538

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

11. Long-term debt (continued):

	2024	2023
<u>CMHC Housing Projects</u>		
CMHC Section 95 mortgage, special allocation on 6 unit project bearing interest at 4.40% per annum, repayable at \$2,692 per month including interest, due September 2027	104,605	131,599
CMHC Section 95 mortgage on 12 unit project bearing interest at 1.83% per annum, repayable at \$7,665 per month including interest, due December 2034	897,272	972,111
CMHC Section 95 mortgage on 20 unit project bearing interest at 3.98% per annum, repayable at \$19,725 per month including interest, due November 2032	1,734,752	1,899,254
CMHC Section 95 mortgage on 25 unit project bearing interest at 0.70% per annum, repayable at \$16,088 per month including interest, due July 2030	1,195,637	1,379,613
CMHC Section 95 mortgage on 8 unit project bearing interest at 4.18% per annum, repayable at \$11,826 per month including interest, due December 2048	2,194,243	662,100
<u>Education - Community School</u>		
CIBC Education Trailers loan bearing interest at prime plus 0.50% (2024 - 7.95%) per annum, repayable at \$2,167 plus accrued interest, due on demand (i, ii)	195,001	221,000
<u>Economic Development</u>		
CIBC building loan bearing interest at prime plus 0.50% (2024 - 7.95%) per annum, repayable at \$6,666 per month plus accrued interest, due on demand (i, ii)	86,667	166,667
	\$ 8,713,999	\$ 8,249,266

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

11. Long-term debt (continued):

- (i) BCN has on demand term loans with CIBC bearing interest at prime rate plus 0.50% (2024 - 7.95%) per annum, authorized to a maximum of \$885,502 (2023 - \$960,459). Any principal that is repaid is not available to be re-borrowed. At March 31, 2024, the term loan had \$281,668 (2023 - \$387,668) drawn upon it.
- (ii) The debt facilities with CIBC are secured by a general security agreement granting the CIBC a first charge and security interest in all of BCN's present and after-acquired personal property of every nature and kind; an irrevocable assignment to ISC, directing that ISC pay to CIBC all funds payable by ISC to BCN; a first charge over specific buildings, mobile homes and vehicles and adequate insurance with first loss payable to CIBC.

BCN's lending agreement requires compliance with a restrictive non-financial covenant. Subsequent to year-end, BCN was not in compliance with the reporting covenant. As of the date of these non-consolidated special purpose financial statements, the lender has not demanded repayment as a result of the violation.

Included in the non-consolidated statement of operations is interest expense of \$320,115 (2023 - \$151,966).

Provided the lenders do not exercise their right to demand repayment of the loans due on demand, the contractually agreed future annual principal repayments of the loans over the next five years and thereafter are as follows:

2025	\$ 1,195,294
2026	1,059,223
2027	1,097,383
2028	1,091,026
2029	912,503
Thereafter	3,358,570
	\$ 8,713,999

In addition, BCN has an operating line of credit with CIBC bearing interest at prime rate plus 0.50% (2024 - 7.95%), authorized to a maximum of \$2,300,000 (2023 - \$2,300,000). At March 31, 2024, this line of credit had \$nil (2023 - \$nil) drawn upon it.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

12. Tangible capital assets:

2024																						
	Land	Buildings (i)	Infrastructure	Mobile homes (ii)	Vehicles	Equipment	Mobile offices under capital lease	Computer equipment	Fences and signs	Furniture and fixtures	Total											
Cost:																						
Balance, beginning of year	\$	2,839,238	\$	83,466,539	\$	22,928,508	\$	25,800,281	\$	7,762,508	\$	3,854,174	\$	236,559	\$	2,121,897	\$	312,232	\$	776,611	\$	150,098,547
Additions		1,091,636		25,824,967		3,003,856		-		191,019		736,872		-		385,588		4,844		16,849		31,255,631
Balance, end of year		3,930,874		109,291,506		25,932,364		25,800,281		7,953,527		4,591,046		236,559		2,507,485		317,076		793,460		181,354,178
Accumulated amortization:																						
Balance, beginning of year		-		27,795,670		6,279,337		18,626,729		5,253,639		2,258,293		236,559		1,283,477		138,498		369,056		62,241,258
Amortization		-		1,886,331		794,459		2,091,657		645,125		390,091		-		296,409		17,785		83,196		6,205,053
Disposals		-		-		-		-		-		-		-		-		-		-		-
Balance, end of year		-		29,682,001		7,073,796		20,718,386		5,898,764		2,648,384		236,559		1,579,886		156,283		452,252		68,446,311
Net book value, end of year	\$	3,930,874	\$	79,609,505	\$	18,858,568	\$	5,081,895	\$	2,054,763	\$	1,942,662	\$	-	\$	927,599	\$	160,793	\$	341,208	\$	112,907,867

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

12. Tangible capital assets (continued):

2023												
	Land	Buildings (i)	Infrastructure	Mobile homes (ii)	Vehicles	Equipment	Modular offices under capital lease	Computer equipment	Fences and signs	Furniture and fixtures	Total	
Cost:												
Balance, beginning of year	\$ 2,839,238	\$ 59,826,433	\$ 16,231,071	\$ 25,800,281	\$ 6,675,639	\$ 3,584,022	\$ 236,559	\$ 2,032,224	\$ 164,876	\$ 771,104	\$ 118,161,447	
Additions	-	23,796,914	6,697,437	-	1,122,281	270,152	-	89,673	147,356	5,507	32,129,320	
Disposals	-	(156,808)	-	-	(35,412)	-	-	-	-	-	(192,220)	
Balance, end of year	2,839,238	83,466,539	22,928,508	25,800,281	7,762,508	3,854,174	236,559	2,121,897	312,232	776,611	150,098,547	
Accumulated amortization:												
Balance, beginning of year	-	26,527,925	5,648,178	16,506,838	4,620,289	1,900,055	236,559	941,599	127,211	267,299	56,775,953	
Amortization	-	1,406,684	631,159	2,119,891	667,027	358,238	-	341,878	11,287	101,757	5,637,921	
Disposals	-	(138,939)	-	-	(33,677)	-	-	-	-	-	(172,616)	
Balance, end of year	-	27,795,670	6,279,337	18,626,729	5,253,639	2,258,293	236,559	1,283,477	138,498	369,056	62,241,258	
Net book value, end of year	\$ 2,839,238	\$ 55,670,869	\$ 16,649,171	\$ 7,173,552	\$ 2,508,869	\$ 1,595,881	\$ -	\$ 838,420	\$ 173,734	\$ 407,555	\$ 87,857,289	

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

12. Tangible capital assets (continued):

The capital assets presented above include work-in-progress for which no amortization was taken during the year, as follows:

	2024	2023
Buildings	\$ 40,970,384	\$ 26,835,019
Infrastructure	-	2,464,818
Vehicles	99,027	-
Computer equipment	86,370	-
Equipment	29,905	-
	\$ 41,185,686	\$ 29,299,837

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

12. Tangible capital assets (continued):

(i) Included in buildings are the following CMHC Section 95 units:

2024	Cost	Accumulated amortization	Net book value
5 Unit	\$ 495,757	\$ 351,402	\$ 144,325
Handicap	175,275	124,239	51,036
43 Unit	10,688,863	5,426,533	5,262,330
3 Unit	476,404	274,091	202,313
6 Unit	1,156,502	619,205	537,297
11 Unit	445,893	275,664	170,229
9 Unit	915,866	649,184	266,682
6 Unit Special	784,027	450,867	333,160
12 Unit	2,402,253	1,202,225	1,200,028
20 Unit	5,296,426	2,394,035	2,902,391
25 Unit	4,269,507	2,146,758	2,122,749
8 Unit	2,253,581	128,907	2,124,674
	\$ 29,360,354	\$ 14,043,110	\$ 15,317,214
2023	Cost	Accumulated amortization	Net book value
5 Unit	\$ 495,757	\$ 343,805	\$ 151,952
Handicap	175,275	121,552	53,723
43 Unit	10,688,863	5,149,568	5,539,295
3 Unit	476,404	263,443	212,961
6 Unit	1,156,502	590,926	565,576
11 Unit	445,893	266,704	179,189
9 Unit	915,866	635,148	280,718
6 Unit Special	784,027	433,332	350,695
12 Unit	2,402,253	1,139,065	1,263,188
20 Unit	5,296,426	2,241,276	3,055,150
25 Unit	4,269,507	2,035,035	2,234,472
8 Unit	662,100	-	662,100
	\$ 27,768,873	\$ 13,219,854	\$ 14,549,019

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

12. Tangible capital assets (continued):

(ii) Included in mobile homes are the following CMHC Section 95 units:

2024	Cost	Accumulated amortization	Net book value
5 Unit	\$ 153,225	\$ 68,951	\$ 84,274
9 Unit	281,000	70,250	210,750
10 Unit	1,647,531	1,647,531	-
11 Unit	791,123	339,955	451,168
12 Unit	281,000	70,250	210,750
25 Unit	22,500	22,500	-
	\$ 3,176,379	\$ 2,219,437	\$ 956,942

2023	Cost	Accumulated amortization	Net book value
5 Unit	\$ 153,225	\$ 53,629	\$ 99,596
9 Unit	281,000	42,150	238,850
10 Unit	1,647,531	1,638,050	9,481
11 Unit	791,123	260,843	530,280
12 Unit	281,000	42,150	238,850
25 Unit	22,500	21,026	1,474
	\$ 3,176,379	\$ 2,057,848	\$ 1,118,531

13. Accumulated surplus:

	2024	2023
Unrestricted operating fund	\$ 15,882,102	\$ 19,582,624
Trust funds held by federal government (note 6)	279,064	564,039
Invested in tangible capital assets (see (i) below)	104,193,868	79,608,023
CMHC replacement reserve (see (ii) below)	2,694,031	2,366,206
	\$ 123,049,065	\$ 102,120,892

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

13. Accumulated surplus (continued):

(i) Invested in tangible capital assets is comprised of the following:

	2024	2023
Tangible capital assets (note 12)	\$ 112,907,867	\$ 87,857,289
Long-term debt related to tangible capital assets (note 11)	(8,713,999)	(8,249,266)
Balance, end of year	\$ 104,193,868	\$ 79,608,023

(ii) CMHC replacement reserve is comprised of the following:

	2024	2023
Balance, beginning of year	\$ 2,366,206	\$ 2,041,395
BCN transfer	300,000	300,000
Expenditures	(25,144)	(2,423)
Interest earned	52,969	27,234
Balance, end of year	\$ 2,694,031	\$ 2,366,206

The underfunded position of the CMHC replacement reserve is as follows:

	2024	2023
CMHC replacement reserve	\$ 2,694,031	\$ 2,366,206
Restricted cash (note 2)	(1,132,090)	(1,079,163)
Operating cash (included in cash and cash equivalents)	(32,361)	(120,208)
CMHC replacement reserve, underfunded position	\$ 1,529,580	\$ 1,166,835

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

14. Government transfers received:

	2024	2023
Government of Canada, operating:		
Indigenous Services Canada	\$ 66,606,194	\$ 72,806,562
CMHC	1,023,902	1,112,007
Service Canada	2,930,139	2,640,137
Other	3,859,577	1,797,768
	74,419,812	78,356,474
Province of Alberta and other agencies	561,843	686,398
	561,843	686,398
Province of Alberta, capital:		
First Nations Development Fund	1,348,275	3,832,151
	1,348,275	3,832,151
Transfers to related parties	(8,796,988)	(8,359,131)
	\$ 67,532,942	\$ 74,515,892

15. Other income:

	2024	2023
Interest	\$ 1,649,616	\$ 1,199,291
Timber sales	752,139	-
Administration charges	619,658	466,627
Other	464,737	49,412
	\$ 3,486,150	\$ 1,715,330

16. Defined contribution plan:

BCN has a defined contribution pension plan covering all salary employees. Each participant selects their contribution level of their salary and BCN will match their contribution up to a maximum of 7% of salary. Pension expense in the amount of \$252,093 (2023 - \$229,435) is included with salaries and benefits.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

17. Commitments, contingencies and guarantees:

BCN guarantees loans and lines of credit for certain subsidiaries and partnerships. If these subsidiaries and partnerships fail to meet their debt obligations as they become due, BCN is liable for the related debts, as follows:

Entity	Maximum Guarantee
Bigstone Lot 25 Limited Partnership	\$ 141,750
Bigstone Health Commission	2,500,000
Bigstone Oilfield Services & Supplies Ltd.	3,992,728
	<u>\$ 6,634,478</u>

At March 31, 2024, Bigstone Lot 25 Limited Partnership had a term loan of \$103,949 (2023 - \$114,981), Bigstone Health Commission revolving line of credit had a balance of \$632,946 (2023 - \$1,111,952), and Bigstone Oilfield Services & Supplies Ltd. had a demand loan of \$2,735,148 (2023 - \$2,927,543).

The nature of activities undertaken in the normal course of business for BCN is such that there may be litigation pending or in prospect at any time. These potential liabilities may become actual liabilities when one or more future events occur or fail to occur. With respect to claims at March 31, 2024, management believes that BCN has valid defences and adequate insurance coverage in place. In the event that any claims are successful, the amount of any potential liability is not determinable, therefore no amount has been accrued in the non-consolidated financial statements.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

18. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. BCN is exposed to credit risk with respect to its accounts receivable, investments, temporary investments, and trust funds held by federal government.

BCN assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of BCN at March 31, 2024 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the non-consolidated statement of operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the non-consolidated statement of operations. At March 31, 2024, the total allowance for doubtful accounts was \$7,417,257 (2023 - \$7,167,466).

There have been no significant changes to the credit risk exposure from the prior year.

(b) Liquidity risk:

Liquidity risk is the risk that BCN will be unable to fulfill its obligations on a timely basis or at a reasonable cost. BCN manages its liquidity risk by monitoring its operating requirements. BCN prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

The contractual maturities of long-term debt is disclosed in note 11.

There have been no significant changes to the liquidity risk exposure from the prior year.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

18. Financial risks and concentration of risk (continued):

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect BCN's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

(i) Foreign exchange risk:

BCN is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, BCN makes purchases denominated in U.S. dollars. BCN does not currently enter into forward contracts to mitigate this risk.

There has been no change to the market risk exposure from the prior year.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

Financial instrument assets and financial instrument liabilities with variable interest rates expose BCN to cash flow interest rate risk. BCN is exposed to this risk through its variable interest-bearing operating lines of credit and long-term debt as disclosed in note 11.

There has been no change to the interest rate risk exposure from the prior year.

19. Economic dependence:

BCN receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of treaties entered into with the Government of Canada. The ability of BCN to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

20. Subsequent event:

Subsequent to the year end, wildfires destroyed BCN infrastructure in the Chipewyan Lake community. Management is assessing the impact of the loss from the fires and the ultimate magnitude and impact of the loss is currently undeterminable.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2024

21. Comparative information:

The non-consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.

22. Segment disclosures:

BCN provides a wide range of services to its members. Services are delivered through a number of different programs and departments. Identified segments are defined by BCN for which separate financial information is available and is evaluated regularly by Chief and Council and management in allocating resources and assessing results.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment. The accounting policies used in the segments are consistent with the accounting policies followed in the preparation of these non-consolidated financial statements as disclosed in note 1.

The segmented information is included in Schedule 1 of these non-consolidated financial statements.

BIGSTONE CREE NATION

Schedule 1 - Segmented Disclosure

Year ended March 31, 2024, with comparative information for 2023

	Education and child development	Administration and governance	Housing	Public works and fire department	Economic development	Social	Human resource development	Lands	2024 Total	2023 Total
Revenues:				-						
Government transfers received	\$ 15,197,040	\$ 20,189,783	\$13,196,032	\$ 6,896,676	\$ 90,327	\$ 9,771,822	\$ 2,191,263	\$ -	\$ 67,532,942	\$ 74,515,892
Net amounts deferred	7,842,143	909,121	(102,894)	(2,371,648)	(36,899)	(1,798,895)	(560,905)	-	3,880,024	2,173,457
Gouvernement transfers to be repaid	-	(90,000)	-	(31,680)	-	-	-	-	(121,680)	(681,673)
	23,039,183	21,008,904	13,093,139	4,493,348	53,428	7,972,927	1,630,358	-	71,291,286	76,007,676
User fees, rent and sales of services	3,155,247	774,909	708,973	1,619,093	-	-	-	-	6,258,221	7,110,812
Distribution from trusts	-	1,342,383	-	-	-	-	-	-	1,342,383	1,632,267
Local government fees	-	1,279,547	-	-	-	-	-	-	1,279,547	1,736,750
Property taxes	-	394,834	-	-	-	-	-	-	394,834	434,358
Amounts earned and held in trust by federal government	-	396,648	-	-	-	-	-	-	396,648	825,503
Other income	-	2,850,685	176,011	170,074	-	131,953	157,428	-	3,486,149	1,715,330
(Loss) gain on disposition of tangible capital	-	-	-	-	-	-	-	-	-	(43,305)
	26,194,429	28,047,910	13,978,123	6,282,514	53,428	8,104,880	1,787,786	-	84,449,069	89,419,391
Expenses:										
Salaries, wages, benefits amd honoraria	9,074,088	2,771,812	405,669	1,708,487	263,106	185,643	223,550	174,697	14,807,053	12,238,768
Casual labour		466,295	-	-	-	-	-	-	466,295	
Tuition and training	4,341,631	12,996	3,278	3,920	-	125,870	593,188	-	5,080,882	11,493,585
Program delivery	11,535,795	4,809,486	1,094,216	2,811,156	985,373	2,465,843	77,967	1,093,554	24,873,390	19,936,025
Amortization of tangible capital assets	1,128,754	359,204	3,260,141	1,412,799	29,856	7,672	2,138	4,489	6,205,054	5,637,579
Administration and office	1,175,013	1,000,134	155,851	84,107	102,749	108,958	53,977	27,185	2,707,975	4,151,497
Pandemic expenses	-	-	-	-	-	-	-	-	-	679,407
Other	-	7,139	500	34,762	-	43,500	-	-	85,901	1,257,978
Repairs and maintenance	652,926	105,862	511,798	1,335,218	-	2,562	-	1,275	2,609,641	2,356,036
Rent	382,066	39,754	46,159	129,525	149,875	-	31,501	-	778,880	-
Insurance	258,714	56,974	499,719	155,051	-	6,682	894	5,754	983,788	-
Utilities	415,306	205,139	12,739	754,040	851	8,477	36,457	499	1,433,508	821,507
Professional fees	159,743	566,425	472	262,837	21,185	-	-	11,456	1,022,119	766,855
Travel and meetings	820,241	773,883	50,664	65,139	24,523	26,267	33,150	105,699	1,899,565	1,553,306
Property taxes	-	-	-	-	-	-	-	-	-	212,751
Interest and bank charges	31,342	18,018	247,163	13,191	1,098	3,697	2,546	-	317,054	193,924
Bad debts	-	-	220,572	29,219	-	-	-	-	249,790	339,683
	29,975,619	11,193,121	6,508,941	8,799,450	1,578,617	2,985,171	1,055,369	1,424,608	63,520,896	61,638,901
Annual operating surplus (deficiency)	\$ (3,781,190)	\$ 16,854,789	\$ 7,469,182	\$ (2,516,936)	\$ (1,525,189)	\$ 5,119,709	\$ 732,417	\$ (1,424,608)	\$ 20,928,173	\$ 27,780,490