

**War Lake First Nation
Consolidated Financial Statements**
March 31, 2023

War Lake First Nation Contents

For the year ended March 31, 2023

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Management's Responsibility

To the Chief and Council and Members of War Lake First Nation:

The accompanying consolidated financial statements of War Lake First Nation (the "First Nation") are the responsibility of management and have been approved by the Chief and Council.

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

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

The War Lake First Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

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



Band Administrator

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Independent Auditor's Report

To the Members of War Lake First Nation:

Opinion

We have audited the consolidated financial statements of War Lake First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (net debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and the consolidated results of its operations, changes in its net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the First 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 First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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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 First 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 First 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities 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.

Winnipeg, Manitoba

June 4, 2024

MNP LLP

Chartered Professional Accountants

MNP
LLP

War Lake First Nation
Consolidated Statement of Financial Position
As at March 31, 2023

| | 2023 | 2022 |
|--|-------------------|-------------|
| Financial assets | | |
| Cash and cash equivalents | 3,790,436 | 1,999,460 |
| Accounts receivable (Note 4) | 2,971,770 | 3,947,442 |
| Portfolio investments (Note 5) | 60,064 | 60,064 |
| Inventory for resale (Note 6) | 147,066 | 135,544 |
| Restricted cash and trust funds (Note 7) | 373,236 | 366,758 |
| | 7,342,572 | 6,509,268 |
| Liabilities | | |
| Accounts payable and accruals (Note 8) | 945,642 | 1,072,701 |
| Deferred revenue (Note 9) | 4,137,031 | 4,186,980 |
| Due to related party (Note 10) | 205,867 | 185,042 |
| Advances (Note 11) | 150,000 | 150,000 |
| Long-term debt (Note 12) | 1,314,456 | 1,456,990 |
| Capital lease obligation (Note 13) | 9,187 | 35,820 |
| | 6,762,183 | 7,087,533 |
| Net financial assets (net debt) | 580,389 | (578,265) |
| Contingent liabilities (Note 17) | | |
| Non-financial assets | | |
| Tangible capital assets (Schedule 1) | 19,594,817 | 19,667,118 |
| Prepaid expenses | 104,944 | 23,941 |
| | 19,699,761 | 19,691,059 |
| Accumulated surplus (Note 14) | 20,280,150 | 19,112,794 |

Approved on behalf of the Chief and Council

B. Kennedy
Chief
D. Flute
Councillor

J. H. Hanson

Councillor

War Lake First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

| | <i>Schedules</i> | <i>2023 Budget</i> | <i>2023</i> | <i>2022</i> |
|---|------------------|------------------------|-------------------|-------------|
| Revenue | | | | |
| Indigenous Services Canada (Note 15) | | 3,691,289 | 5,151,093 | 11,631,042 |
| Canada Mortgage and Housing Corporation | | 85,540 | 86,057 | 85,754 |
| Solicitor General | | 82,620 | 126,159 | 11,575 |
| Other | | 1,260,197 | 4,227,227 | 3,143,609 |
| Province of Manitoba | | 139,740 | 110,159 | 171,576 |
| Deferred revenue - prior year (Note 9) | | 1,327,683 | 4,186,980 | 3,899,433 |
| Deferred revenue - current year (Note 9) | | 50,000 | (4,137,031) | (4,186,980) |
| Cancellation of deferred revenue (Note 9) | | - | (1,164,307) | - |
| | | 6,637,069 | 8,586,337 | 14,756,009 |
| Segment expenses | | | | |
| First Nation Management | 4 | 769,004 | 1,573,752 | 1,637,425 |
| Social Services | 5 | 158,478 | 319,353 | 378,446 |
| Economic Development | 6 | 53,300 | 56,550 | 53,300 |
| Hydro Development - Keeyask Project | 7 | 42,200 | 52,754 | 57,463 |
| Health Services | 8 | 1,390,499 | 935,006 | 1,155,388 |
| Operating Programs | 9 | 2,506,436 | 2,097,550 | 1,852,539 |
| Public Works | 10 | 506,480 | 330,750 | 391,498 |
| Capital | 11 | 948,367 | 415,275 | 729,055 |
| War Lake Convenience Store Ltd. | 12 | - | 915,721 | 840,289 |
| CMHC Housing Operations | 13 | 150,704 | 151,979 | 122,631 |
| War Lake First Nation Hydro Trust Funds | 14 | - | 570,291 | 464,605 |
| | | 6,525,468 | 7,418,981 | 7,682,639 |
| Surplus | | | | |
| Accumulated surplus, beginning of year | | 111,601 | 1,167,356 | 7,073,370 |
| | | 19,112,794 | 19,112,794 | 12,039,424 |
| Accumulated surplus, end of year | | 19,224,395 | 20,280,150 | 19,112,794 |

War Lake First Nation
Consolidated Statement of Changes in Net Financial Assets (Net Debt)
For the year ended March 31, 2023

| | 2023 Budget | 2023 | 2022 |
|---|------------------------|------------------|-------------|
| Surplus | | | |
| Purchases of tangible capital assets | 111,601 | 1,167,356 | 7,073,370 |
| Amortization of tangible capital assets | - (571,974) | (6,982,023) | 870,985 |
| Change in prepaid expenses | 58,594 | 644,275 | (1,376) |
| Change in net debt | 170,195 | 1,158,654 | 960,956 |
| Net debt, beginning of year | (578,265) | (578,265) | (1,539,221) |
| Net financial assets (debt), end of year | (408,070) | 580,389 | (578,265) |

War Lake First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

| | 2023 | 2022 |
|---|-----------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Surplus | 1,167,356 | 7,073,370 |
| Non-cash items | 644,275 | 870,985 |
| Amortization | 1,811,631 | 7,944,355 |
| Changes in working capital accounts | | |
| Accounts receivable | 975,672 | (2,417,757) |
| Inventory for resale | (11,522) | (19,828) |
| Accounts payable and accruals | (127,059) | 103,534 |
| Deferred revenue | (49,949) | 287,547 |
| Prepaid expenses | (81,003) | (1,376) |
| | 2,517,770 | 5,896,475 |
| Financing activities | | |
| Change in amounts due to related party | 20,825 | (14,290) |
| Advances of long term debt | - | 150,230 |
| Repayment of long-term debt | (142,534) | (52,234) |
| Repayment of capital lease obligation | (26,633) | (25,296) |
| | (148,342) | 58,410 |
| Capital activity | | |
| Purchases of tangible capital assets | (571,974) | (6,982,023) |
| Investing activity | | |
| Change in restricted cash and trust funds | (6,478) | (159,224) |
| Change in cash resources | 1,790,976 | (1,186,362) |
| Cash resources, beginning of year | 1,999,460 | 3,185,822 |
| Cash resources, end of year | 3,790,436 | 1,999,460 |

War Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

1. Operations

War Lake First Nation (the "First Nation") is located in the Province of Manitoba, and provides various services to its Members. War Lake First Nation includes the First Nation government and all related entities that are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated 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 War Lake First Nation reporting entity includes the First Nation government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation. The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity.

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

- War Lake Administration
- War Lake Social Services
- War Lake Hydro Trust Funds
- War Lake Convenience Store Ltd.

All inter-entity balances have been eliminated on consolidation.

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 equivalents 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.

Portfolio investments

Investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Inventory for resale

Inventory for resale is valued at the lower of cost and net realizable value. Cost is determined on the following basis:

| | |
|--------------------------|--|
| Petroleum products | - Average cost |
| Confectionery and snacks | - Percentage of costs based on normal mark-up percentage |

War Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Tangible capital assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods and delivering services. Assets under construction are not amortized until the asset is available to be put into service.

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Amortization

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

| | Years |
|----------------|--------------|
| Buildings | 25 years |
| Infrastructure | 25 years |
| Vehicles | 5 years |
| Equipment | 10 years |
| CMHC Housing | 25 years |

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments.

Assets under capital leases are amortized over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Long-lived assets

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, exceeds the value of future economic benefits associated with the asset.

Impairment is measured as the amount by which the assets carrying amount exceeds its residual value of the assets service potential to the First Nation. Any impairment is included in operations for the year.

Funds held in Ottawa Trust Fund

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

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

Net financial assets (net debt)

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

War Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

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.

Liability for contaminated sites

A liability for remediation of contaminated sites 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, 2023.

At each financial reporting date, the First 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 First 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.

Revenue recognition

Government transfer revenue, including, but not limited to, Indigenous Services Canada, Solicitor General, Province of Manitoba and Canada Mortgage and Housing Corporation funding is recognized as the funding becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with related department expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

The First Nation recognizes VLT revenue as the net win from gaming activities (the difference between gaming wins and gaming losses), consisting of slot machines, on a daily basis. Gaming revenue is net of commissions paid to Manitoba Liquor and Lotteries Corporation. Management believes that it is appropriate to present these commissions net of gaming revenue as these amounts are fixed as per their agreement with Manitoba Liquor and Lotteries Corporation.

Rent and resident fees is recorded in the year it is earned. At the end of each year, management evaluates the extent of the collectability of its rent revenue and records a bad debt expense and an allowance for doubtful accounts for amounts designated as unlikely to be collected.

Investment and interest revenue is recognized on an accrual basis in the year that it is earned.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collectability is reasonably assured.

Measurement uncertainty

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 consolidated 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. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the consolidated statement of operations in the year in which they become known.

War Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Segments

The First Nation conducts its business through eleven reportable segments listed below. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment.

- **First Nation Management** - activities include the governance function relating to decisions that define expectations, grant power or verify performance.
- **Social Assistance/Social Services** - activities include satisfying the economic, social or health related needs of members of the community who require assistance.
- **Economic Development** - activities include researching and accessing government funding.
- **Hydro Development** - maintaining office close to Manitoba Hydro head office for communication purposes related to the Keeyask project.
- **Health Services** - deliver health services to the First Nation.
- **Operating Programs** - activities include the planning, managing and delivery of various projects/programs involving various programs such as education, employment, infrastructure, repairs and maintenance and training.
- **Public Works** - activities include the development and maintenance of the community's infrastructure, buildings, roads, bridges and related equipment and the provision of other more specialized community services.
- **Capital** - activities include the planning, managing and delivery of large scale infrastructure and capital projects to the community.
- **CMHC Housing Operations** - activities include the management and maintenance of CMHC houses for community members.
- **War Lake First Nation Hydro Trust Funds** - activities include negotiations with Manitoba Hydro involving environmental issues as a result of adverse effects due to the construction of a hydro dam and include travel expenses.
- **War Lake Convenience Store Ltd.** - operates a convenience store with Video Lottery Terminals onsite.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2 to the consolidated financial statements.

Employee future benefits

The First Nation's employee future benefit programs consist of defined contribution pension plans. As a defined contribution plan, the First Nation's contributions to the pension plans are expensed as incurred and no further liability exists.

War Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Fair value measurements

The First 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 First 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.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures all financial instruments at amortized cost using the effective interest rate method. Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets are tested annually for impairment. Management considers all available information 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 amortized cost to reflect losses in value are not reversed for subsequent increases in value.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First 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. The First Nation has determined that no asset retirement obligations exist at March 31, 2023 or 2022.

War Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

3. Change in accounting policy

Asset retirement obligations

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements.

Pursuant to the recommendations, the change was applied using a modified retroactive application approach and prior periods have not been restated. The First Nation has determined that it has no asset retirement obligations at March 31, 2023, and as a result, the adoption of this new standard did not have a material impact on the consolidated financial statements.

Financial instruments

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

Financial statement presentation

Effective April 1, 2022, the First Nation adopted Section PS 1201 Financial Statement Presentation, which replaces PS 1200 Financial Statement Presentation. This Section establishes general reporting principles and standards for the disclosure of information in government financial statements. As a result of the Department of Indigenous Services Canada requiring First Nations to apply the Canadian public sector accounting standards, the First Nation must apply PS 1201. The adoption of this guidance has significantly changed the First Nation's presentation of its financial position. Previously, the First Nation reported on its financial condition by presenting its operating, capital and reserve fund balances, and changes in those balances. Upon adoption of this Section, the First Nation reports on its financial condition by presenting its net debt and accumulated surplus. A statement of change in net debt, which reports the extent to which expenditures of the period are offset by revenue recognized in the period, is also required. First Nation's are now required to present a Statement of Remeasurement Gains and Losses showing separately: unrealized gains (losses) attributable to financial instruments in the fair value category; exchange gains (losses) associated with monetary assets and liabilities denominated in a foreign currency that have not been settled; amounts reclassified to the statement of operations upon derecognition or settlement; and, other comprehensive income from government business enterprises and partnerships. Upon adoption of this Section, the First Nation reports on its financial condition by presenting its accumulated operating surplus and net debt which includes accumulated remeasurement gains (losses). Although required, the First Nation does not present the Statement of Remeasurement Gains and Losses, as the impact to the First Nation's results are immaterial.

4. Accounts receivable

| | 2023 | 2022 |
|---|------------------|-----------|
| Trade accounts receivable | 3,100,631 | 1,596,239 |
| Indigenous Services Canada | 1,023 | 2,365,732 |
| CMHC subsidy assistance receivable | 7,368 | 7,368 |
| Members | 44,811 | 44,151 |
| War Lake Convenience Store Ltd. - Trade accounts receivable | 77,272 | 157,772 |
| | <hr/> | <hr/> |
| Allowance for doubtful accounts | 3,231,105 | 4,171,212 |
| | 259,335 | 223,770 |
| | <hr/> | <hr/> |
| | 2,971,770 | 3,947,442 |

The allowance for doubtful accounts pertains to trade accounts receivable and members.

War Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

5. Portfolio investments

| | 2023 | 2022 |
|---|---------------|--------|
| Mississippi Rail Limited Partnership | 4 | 4 |
| Keewatin Railway Corporation | 60,012 | 60,012 |
| Cree Nation Partners Limited Partnership #1 | 16 | 16 |
| Cree Nation Partners Limited Partnership #2 | 16 | 16 |
| Cree Nation Partners Limited Partnership #3 | 16 | 16 |
| | 60,064 | 60,064 |

6. Inventory for resale

| | 2023 | 2022 |
|---------------------------------|----------------|---------|
| War Lake Convenience Store Ltd. | 147,066 | 135,544 |

Inventory consists of merchandise and fuel purchased for resale by War Lake Convenience Store Ltd.

7. Restricted cash and trust funds

Restricted cash is subject to the restrictions imposed upon by outside parties and can only be used for purposes specified.

| | 2023 | 2022 |
|--------------------------|----------------|---------|
| Ottawa Trust Funds | 81 | 79 |
| War Lake Hydro Trust | 273,933 | 268,000 |
| CMHC replacement reserve | 99,222 | 98,679 |
| | 373,236 | 366,758 |

War Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

7. Restricted cash and trust funds (Continued from previous page)

Ottawa Trust Funds

The Ottawa 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Funds is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Chief and Council. Ottawa Trust Funds consist of the Capital Trust in the amount of \$2 (2022 - \$2) and the Revenue Trust in the amount of \$79 (2022 - \$77). Interest earned on the Ottawa Trust Funds totalled \$2 (2022 - \$2).

War Lake Hydro Trust

War Lake Hydro Trust in trust for War Lake First Nation was established to monitor and account for the financial contributions made by Manitoba Hydro towards expenses incurred by War Lake First Nation involving negotiations and environmental issue concerns arising from the Keeyask Hydro Electric development at the Keeyask Rapids on the Nelson River.

CMHC replacement reserve

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2023, the replacement reserve bank account is fully funded (2022 - fully funded).

Operating reserve

The First Nation's CMHC Housing Program receives funding pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this Program. These funds, along with accumulated interest, must be held in a separate bank account. Currently the reserve is \$nil (2022 - \$nil).

8. Accounts payable and accruals

| | 2023 | 2022 |
|----------------------------|-----------------------|-------------------------|
| Indigenous Services Canada | - | 25,346 |
| Trade payables | <u>945,642</u> | <u>1,047,355</u> |
| | <u>945,642</u> | <u>1,072,701</u> |

War Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

9. Deferred revenue

| | 2023 | 2022 |
|--|------------------|-----------|
| Indigenous Services Canada | 3,557,236 | 3,713,072 |
| Keewatin Tribal Council | 286,021 | 286,021 |
| Manitoba Hydro | 210,371 | 160,237 |
| Southeast Resource Development Council | 71,898 | 27,650 |
| Other | 11,505 | - |
| | 4,137,031 | 4,186,980 |

During the year, ISC made the determination that \$1,164,307 funding for the Lagoon project would be cancelled. Consequently, ISC with the aid of the First Nation, would reevaluate ways in which to best re-distribute funding to the First Nation.

10. Due to related party

The amount is due to Mooseocoot Trust, a trust set up for the benefit of the War Lake First Nation members. The balance has no set terms of repayment, is measured at the exchange amount and is unsecured and non-interest bearing.

11. Advances

Advances consist of amounts received from Manitoba Hydro in the amount of \$150,000 (2022 - \$150,000) related to negotiations for Past Adverse Effects. The advances are non-interest bearing and due on demand.

12. Long-term debt

| | 2023 | 2022 |
|---|------------------|-----------|
| CMHC mortgage repayable in monthly payments of \$1,943 per month including interest at 1.12% per annum, maturing October 2046 with the next scheduled renewal in October 2026, secured by a Ministerial guarantee and assignment of fire insurance for a two-unit rental housing project. | 483,228 | 501,039 |
| CMHC mortgage repayable in monthly payments of \$1,538 per month including interest at 0.96% per annum, maturing January 2035 with the next scheduled renewal in March 2026, secured by a Ministerial guarantee and assignment of fire insurance for a two-unit rental housing project. | 206,378 | 222,769 |
| CMHC mortgage repayable in monthly payments of \$1,235 per month including interest at 0.96% per annum, maturing February 2035 with the next scheduled renewal in March 2026, secured by a Ministerial guarantee and assignment of fire insurance for a two-unit rental housing project. | 166,815 | 179,966 |
| CMHC mortgage repayable in monthly payments of \$1,827 per month including interest at 2.70% per annum, maturing February 2038 with the next scheduled renewal in November 2023, secured by a Ministerial guarantee and assignment of fire insurance for a two-unit rental housing project. (*) | 269,226 | 283,711 |
| CMHC mortgage repayable in monthly payments of \$967 per month including interest at 1.51% per annum, maturing November 2041 with the next scheduled renewal in November 2026, secured by a Ministerial guarantee and assignment of fire insurance for a one-unit rental housing project. | 188,809 | 197,505 |
| Fox River Camp loan, unsecured, due on demand without interest. | - | 72,000 |
| | 1,314,456 | 1,456,990 |

War Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

12. Long-term debt *(Continued from previous page)*

(*) Subsequent to year, under the terms of an agreement with CMHC, the First Nation renewed an existing loan for a 2-unit rental housing project. The terms of the renewed loan include monthly payments of \$2,073 at an interest rate of 4.66% per annum, with a scheduled renewal date of November 2028.

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:

| | |
|------------|---------|
| 2024 | 71,416 |
| 2025 | 72,488 |
| 2026 | 73,579 |
| 2027 | 74,689 |
| 2028 | 75,819 |
| Thereafter | 946,465 |

13. Capital lease obligation

| | 2023 | 2022 |
|--|--------------|--------|
| Obligation under capital lease repayable in monthly payments of \$2,322 including interest at 4.99% per annum, due August 21, 2023, with a 2018 John Deere 524KXDW loader having a net book value of \$120,740 (2022 - \$144,888) pledged as collateral. | <u>9,187</u> | 35,820 |

The First Nation has the option to buy the Loader for \$1 when the lease expires.

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

| | |
|------------------------------|--------------|
| 2024 | 9,272 |
| Less: imputed interest | 85 |
| <u>Balance of obligation</u> | <u>9,187</u> |

14. Accumulated surplus

Accumulated surplus consists of the following:

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Investment in tangible capital assets | 18,270,174 | 18,174,309 |
| Internally restricted funds for future expenses | 1,000,000 | - |
| Unrestricted accumulated surplus | 944,178 | 875,088 |
| Ottawa Trust Funds | 81 | 79 |
| CMHC replacement reserve - required balance | 65,717 | 63,318 |
| | <u>20,280,150</u> | <u>19,112,794</u> |

War Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

15. Indigenous Services Canada funding

| | 2023 | 2022 |
|---|------------------|------------|
| Indigenous Services Canada confirmation balance | 5,151,093 | 11,500,262 |
| Accrual for High Cost Special Education costs not yet submitted for reimbursement | - | 130,780 |
| Indigenous Services Canada per consolidated financial statements | 5,151,093 | 11,631,042 |

16. Economic dependence

War Lake First Nation receives the majority of its revenue from Indigenous Services Canada ("ISC") and Health Canada as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

17. Contingent liabilities

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. These federal government agencies may disallow certain expenses, deeming them to be ineligible. Adjustments, if any, for disallowed expenses will be accounted for in the year of determination. The First Nation has not yet determined to what extent any further funding amounts related to the year ended March 31, 2023 might be recovered.

18. Budget information

The disclosed budget information has been approved by the Chief and Council of the War Lake First Nation on May 17, 2022.

19. First Nations Financial Transparency and Accountability Act

The First Nation is required by the First Nations Financial Transparency and Accountability Act to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 29, 2023. As the audit report date is dated after this date, the First Nation is not in compliance with this requirement. The possible effect of this non-compliance has not yet been determined.

20. Comparative figures

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

War Lake First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

| | <i>Land</i> | <i>Buildings</i> | <i>Infrastructure</i> | <i>Vehicles</i> | <i>Equipment</i> | <i>CMHC Housing</i> | <i>Subtotal</i> |
|---|---------------|------------------|-----------------------|------------------|------------------|-------------------------|-------------------|
| Cost | | | | | | | |
| Balance, beginning of year | 33,000 | 5,189,972 | 6,692,603 | 1,048,310 | 2,790,792 | 2,055,954 | 17,810,631 |
| Acquisition of tangible capital assets | - | - | - | 256,824 | 21,130 | - | 277,954 |
| Transfer of tangible capital assets | - | - | - | - | - | - | - |
| Balance, end of year | 33,000 | 5,189,972 | 6,692,603 | 1,305,134 | 2,811,922 | 2,055,954 | 18,088,585 |
| Accumulated amortization | | | | | | | |
| Balance, beginning of year | - | 3,493,737 | 2,538,537 | 711,736 | 1,800,245 | 779,650 | 9,323,905 |
| Annual amortization | - | 170,749 | 101,541 | 142,348 | 159,103 | 70,534 | 644,275 |
| Balance, end of year | - | 3,664,486 | 2,640,078 | 854,084 | 1,959,348 | 850,184 | 9,968,180 |
| Net book value of tangible capital assets | 33,000 | 1,525,486 | 4,052,525 | 451,050 | 852,574 | 1,205,770 | 8,120,405 |
| 2022 Net book value of tangible capital assets | 33,000 | 1,696,235 | 4,154,066 | 336,574 | 993,934 | 1,276,304 | 8,490,113 |

War Lake First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

| | <i>Subtotal</i> | <i>Assets under construction</i> | 2023 | 2022 |
|--|-------------------|----------------------------------|-------------------|------------|
| Cost | | | | |
| Balance, beginning of year | 17,810,631 | 11,180,392 | 28,991,023 | 22,009,000 |
| Acquisition of tangible capital assets | 277,954 | 294,020 | 571,974 | 7,530,638 |
| Transfer of tangible capital assets | - | - | - | (548,615) |
| Balance, end of year | 18,088,585 | 11,474,412 | 29,562,997 | 28,991,023 |
| Accumulated amortization | | | | |
| Balance, beginning of year | 9,323,905 | - | 9,323,905 | 8,452,919 |
| Annual amortization | 644,275 | - | 644,275 | 870,986 |
| Balance, end of year | 9,968,180 | - | 9,968,180 | 9,323,905 |
| Net book value of tangible capital assets | 8,120,405 | 11,474,412 | 19,594,817 | 19,667,118 |
| 2022 Net book value of tangible capital assets | 8,490,113 | 11,177,005 | 19,667,118 | |

War Lake First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2023

| | 2023 Budget | 2023 | 2022 |
|--|------------------------|------------------|-------------|
| Consolidated expenses by object | | | |
| Administration | - | 17,522 | 13,816 |
| Amortization | 58,594 | 644,275 | 870,985 |
| Audit fees | 61,500 | 122,167 | 90,451 |
| Bad debts (recovery) | - | 44,096 | (6,781) |
| Bank charges and interest | 10,300 | 18,760 | 20,226 |
| Board travel, training and honouraria | 21,428 | 7,000 | 7,206 |
| Chief and Council | 97,594 | 104,094 | 96,563 |
| Commissions | - | 11,994 | 5,606 |
| Community events | 350,884 | 359,209 | 312,541 |
| Consulting | 11,000 | 402,803 | 360,328 |
| Cost of sales | - | 642,669 | 630,275 |
| Cyber fraud | - | 51,849 | - |
| Food and beverage | 2,572 | - | - |
| Freight and postage | 65,000 | 2,884 | 1,799 |
| Fuel | 217,857 | 187,742 | 119,998 |
| Furniture and equipment | 66,500 | 195,104 | 143,050 |
| Honouraria | 8,000 | 36,000 | 38,000 |
| Insurance | 127,918 | 212,205 | 169,146 |
| Interest on long-term debt | 19,728 | 20,731 | 19,612 |
| Meeting | 3,600 | 2,282 | 4,038 |
| Miscellaneous | 530,933 | 305 | (95,612) |
| Office equipment lease | 580 | 2,438 | 506 |
| Office rent | 56,600 | 28,150 | 66,600 |
| Office supplies and expenses | 112,466 | 113,460 | 172,737 |
| Pension | 2,760 | 19,355 | 11,349 |
| Professional fees | 163,321 | 190,632 | 211,261 |
| Program education | 70,178 | 192,906 | 67,761 |
| Program expense | 338,165 | 64,797 | 46,756 |
| Renovations | 13,280 | 3,639 | 2,753 |
| Rent | 124,378 | 120,836 | 183,219 |
| Repairs and maintenance | 1,225,791 | 379,020 | 886,682 |
| Salaries and benefits | 1,336,945 | 1,289,331 | 1,501,308 |
| Social assistance | - | 179,084 | 112,301 |
| Special projects | 9,488 | 6,710 | 20,718 |
| Supplies | 116,193 | 74,484 | 239,043 |
| Telephone | 49,519 | 45,746 | 76,396 |
| Training | 136,869 | 73,608 | 13,264 |
| Transportation | 76,808 | 42,417 | 55,750 |
| Travel | 195,834 | 486,133 | 222,216 |
| Tuition costs | 549,405 | 817,257 | 766,375 |
| Utilities | 105,180 | 83,254 | 67,823 |
| Vehicle | 188,300 | 122,033 | 156,574 |
| | 6,525,468 | 7,418,981 | 7,682,639 |

War Lake First Nation
Schedule 3 - Consolidated Summary Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | <i>Total Revenue</i> | <i>Total Expenses</i> | <i>Transfers From (To)</i> | <i>Current Year Surplus (Deficit)</i> | <i>Prior Year Surplus (Deficit)</i> |
|---|----------------------|-----------------------|----------------------------|---------------------------------------|-------------------------------------|
| Operations | | | | | |
| First Nation Management | 828,782 | 1,573,752 | 20,429 | (724,541) | (469,433) |
| Social Services | 316,591 | 319,353 | - | (2,762) | (41,167) |
| Economic Development | 30,917 | 56,550 | 28,729 | 3,096 | (1,851) |
| Hydro Development - Keeyask Project | 39,213 | 52,754 | - | (13,541) | 7,284 |
| Health Services | 1,013,948 | 935,006 | - | 78,942 | 84,834 |
| Operating Programs | 3,186,952 | 2,097,550 | (107,240) | 982,162 | 172,621 |
| Public Works | 307,717 | 330,750 | 22,165 | (868) | (49,315) |
| Capital | 1,344,411 | 415,275 | - | 929,136 | 7,234,182 |
| War Lake Convenience Store Ltd. | 829,054 | 915,721 | - | (86,667) | 128,347 |
| CMHC Housing Operations | 118,461 | 151,979 | 35,917 | 2,399 | 7,868 |
| War Lake First Nation Hydro Trust Funds | 570,291 | 570,291 | - | - | - |
| Total | 8,586,337 | 7,418,981 | - | 1,167,356 | 7,073,370 |

War Lake First Nation
First Nation Management
Schedule 4 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | 2023 Budget | 2023 | 2022 |
|---|------------------------|------------------|------------------|
| Revenue | | | |
| Indigenous Services Canada | 407,002 | 616,267 | 661,945 |
| Other revenue | 417,258 | 517,734 | 477,698 |
| Province of Manitoba | - | 13,313 | - |
| Deferred revenue - prior year | - | - | 26,249 |
| Deferred revenue - current year | - | (318,532) | - |
| | 824,260 | 828,782 | 1,165,892 |
| Expenses | | | |
| Amortization | - | 560,520 | 797,599 |
| Audit fees | 50,000 | 109,667 | 77,351 |
| Bad debts | - | (291) | 557 |
| Bank charges and interest | 10,000 | 10,071 | 9,663 |
| Chief and Council | 97,594 | 104,094 | 96,563 |
| Community events | 150,000 | 214,555 | 176,677 |
| Cyber fraud | - | 51,849 | - |
| Freight and postage | - | - | 1,799 |
| Insurance | 14,237 | 26,597 | 34,066 |
| Interest on long-term debt | - | 1,222 | 1,653 |
| Meeting | 3,600 | 2,282 | 4,038 |
| Miscellaneous | 1,248 | 305 | (97,801) |
| Office equipment lease | 580 | 2,438 | 506 |
| Office rent | 6,600 | 3,150 | 6,600 |
| Office supplies and expenses | 37,000 | 30,199 | 21,096 |
| Professional fees | 126,500 | 101,632 | 118,759 |
| Program education | 1,029 | 750 | 8,309 |
| Program expense | 1,200 | - | 1,107 |
| Renovations | 10,200 | - | - |
| Rent | - | 1,704 | - |
| Salaries and benefits | 101,536 | 85,426 | 234,076 |
| Telephone | 22,800 | 22,223 | 22,827 |
| Training | 1,200 | 4,800 | - |
| Travel | 110,400 | 218,009 | 98,209 |
| Utilities | 2,880 | 3,220 | - |
| Vehicle | 20,400 | 19,330 | 23,771 |
| | 769,004 | 1,573,752 | 1,637,425 |
| Surplus (deficit) before transfers | 55,256 | (744,970) | (471,533) |
| Transfers between segments | (55,256) | 20,429 | 2,100 |
| Deficit | - | (724,541) | (469,433) |

War Lake First Nation
Social Services
Schedule 5 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | 2023 Budget | 2023 | 2022 |
|---------------------------------|------------------------|----------------|-----------------|
| Revenue | | | |
| Indigenous Services Canada | 169,209 | 404,918 | 319,787 |
| Other revenue | (5,843) | (20,151) | (14,311) |
| Deferred revenue - prior year | - | 35,211 | 67,014 |
| Deferred revenue - current year | - | (103,387) | (35,211) |
| | 163,366 | 316,591 | 337,279 |
| Expenses | | | |
| Audit fees | 1,500 | 1,500 | 2,400 |
| Bank charges and interest | 300 | 1,306 | 711 |
| Community events | - | - | 5,000 |
| Office supplies and expenses | 360 | 1,731 | 1,337 |
| Professional fees | 2,510 | 9,339 | 4,680 |
| Rent | 7,850 | 7,210 | 7,200 |
| Repairs and maintenance | 2,500 | 232 | 2,237 |
| Salaries and benefits | 66,986 | 86,551 | 51,970 |
| Social assistance | - | 166,836 | 112,301 |
| Supplies | 70,600 | 33,163 | 174,682 |
| Telephone | 1,980 | 1,721 | 1,995 |
| Training | 3,000 | 1,000 | 4,000 |
| Travel | 892 | 8,764 | 9,933 |
| | 158,478 | 319,353 | 378,446 |
| Surplus (deficit) | 4,888 | (2,762) | (41,167) |

War Lake First Nation
Economic Development
Schedule 6 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | 2023 <i>Budget</i> | 2023 | 2022 |
|---------------------------------|------------------------------|-----------------|---------|
| Revenue | | | |
| Indigenous Services Canada | 30,917 | 30,917 | 57,160 |
| Other | (3,096) | - | (5,711) |
| | 27,821 | 30,917 | 51,449 |
| Expenses | | | |
| Salaries and benefits | 53,300 | 56,550 | 53,300 |
| Deficit before transfers | (25,479) | (25,633) | (1,851) |
| Transfers between segments | 25,479 | 28,729 | - |
| Surplus (deficit) | - | 3,096 | (1,851) |

War Lake First Nation
Hydro Development - Keeyask Project
Schedule 7 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | 2023 Budget | 2023 | 2022 |
|--------------------------|------------------------|-----------------|---------------|
| Revenue | | | |
| Manitoba Hydro | 42,200 | 39,213 | 64,747 |
| Expenses | | | |
| Audit fees | 4,000 | 5,000 | 1,800 |
| Salaries and benefits | 35,920 | 28,132 | 53,418 |
| Telephone | 2,280 | 1,302 | 2,245 |
| Travel | - | 18,320 | - |
| | 42,200 | 52,754 | 57,463 |
| Surplus (deficit) | - | (13,541) | 7,284 |

War Lake First Nation
Health Services
Schedule 8 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | 2023 Budget | 2023 | 2022 |
|---|------------------------|------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada | 1,526,690 | 1,462,138 | 1,661,364 |
| Other revenue | (148,221) | (91,997) | (133,708) |
| Deferred revenue - prior year | - | 1,123,240 | 835,806 |
| Deferred revenue - current year | - | (1,479,433) | (1,123,240) |
| | 1,378,469 | 1,013,948 | 1,240,222 |
| Expenses | | | |
| Audit fees | 6,000 | 6,000 | 6,500 |
| Board travel, training and honouraria | 10,000 | 7,000 | 7,206 |
| Community events | 200,884 | 144,654 | 130,864 |
| Consulting | 11,000 | 6,239 | 10,000 |
| Fuel | - | - | 15,395 |
| Furniture and equipment | 46,500 | (8,679) | 143,050 |
| Insurance | 9,500 | 4,800 | 14,647 |
| Miscellaneous | - | - | 2,189 |
| Office rent | 50,000 | 25,000 | 60,000 |
| Office supplies and expenses | 68,746 | 67,153 | 134,686 |
| Program education | 69,149 | 192,156 | 59,452 |
| Program expense | 332,665 | 37,779 | 35,149 |
| Rent | 46,000 | 21,578 | 126,400 |
| Salaries and benefits | 283,015 | 216,737 | 287,095 |
| Special projects | - | 6,710 | - |
| Supplies | 7,100 | 1,112 | 21,235 |
| Telephone | 3,300 | 3,321 | 3,297 |
| Training | 106,013 | 56,417 | 7,533 |
| Transportation | 1,800 | 2,400 | - |
| Travel | 29,433 | 94,990 | 37,510 |
| Utilities | - | - | 2,836 |
| Vehicle | 109,394 | 49,639 | 50,344 |
| | 1,390,499 | 935,006 | 1,155,388 |
| Surplus (deficit) before transfers | (12,030) | 78,942 | 84,834 |
| Transfers between segments | 4,930 | - | - |
| Surplus (deficit) | (7,100) | 78,942 | 84,834 |

War Lake First Nation
Operating Programs
Schedule 9 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | 2023 Budget | 2023 | 2022 |
|---|------------------------|------------------|------------------|
| Revenue | | | |
| Indigenous Services Canada | 885,376 | 1,164,758 | 1,129,642 |
| Other revenue | 878,961 | 1,929,986 | 858,809 |
| Government of Canada | 82,620 | 126,159 | 11,575 |
| Canada Mortgage and Housing Corporation | 20,800 | 20,800 | 20,800 |
| Province of Manitoba | 139,740 | 96,846 | 171,576 |
| Deferred revenue - prior year | 552,683 | 729,598 | 666,057 |
| Deferred revenue - current year | 50,000 | (881,195) | (729,598) |
| | 2,610,180 | 3,186,952 | 2,128,861 |
| Expenses | | | |
| Audit fees | - | - | 2,400 |
| Bad debts | - | 7,698 | - |
| Board travel, training and honouraria | 11,428 | - | - |
| Food and beverage | 2,572 | - | - |
| Freight and postage | 25,000 | - | - |
| Fuel | 172,844 | 163,401 | 60,531 |
| Furniture and equipment | 20,000 | 27,770 | - |
| Honouraria | 8,000 | 8,000 | 8,000 |
| Insurance | 59,290 | 79,767 | 5,042 |
| Miscellaneous | 529,685 | - | - |
| Office supplies and expenses | 5,160 | 1,629 | 2,818 |
| Pension | 2,760 | 19,355 | 11,349 |
| Professional fees | 8,675 | 4,119 | 3,675 |
| Program expense | 4,300 | 12,159 | 4,270 |
| Renovations | 3,080 | 1,515 | 1,078 |
| Rent | 70,528 | 85,344 | 43,619 |
| Repairs and maintenance | 134,820 | 130,303 | 205,786 |
| Salaries and benefits | 653,608 | 565,693 | 539,864 |
| Social assistance | - | 12,248 | - |
| Special projects | 9,488 | - | 20,718 |
| Supplies | 19,980 | 21,608 | 27,831 |
| Telephone | 15,259 | 9,263 | 36,210 |
| Training | 24,881 | - | - |
| Transportation | 75,008 | 40,017 | 55,750 |
| Travel | 55,109 | 54,157 | 46,394 |
| Tuition costs | 549,405 | 817,257 | 766,375 |
| Utilities | 17,850 | 27,206 | 7,820 |
| Vehicle | 27,706 | 9,041 | 3,009 |
| | 2,506,436 | 2,097,550 | 1,852,539 |
| Surplus before transfers | 103,744 | 1,089,402 | 276,322 |
| Transfers between segments | (16,564) | (107,240) | (103,701) |
| Surplus | 87,180 | 982,162 | 172,621 |

War Lake First Nation
Public Works
Schedule 10 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | 2023 Budget | 2023 | 2022 |
|-----------------------------------|------------------------|-----------------|------------------|
| Revenue | | | |
| Indigenous Services Canada | 472,095 | 472,095 | 189,980 |
| Other revenue | 17,657 | 18,533 | 77,685 |
| Deferred revenue - current year | - | (182,911) | - |
| | 489,752 | 307,717 | 267,665 |
| Expenses | | | |
| Fuel | 12,060 | 13,171 | 11,119 |
| Insurance | 6,984 | 18,926 | 15,141 |
| Office supplies and expenses | 1,200 | 3,079 | 213 |
| Repairs and maintenance | 227,214 | 56,822 | 98,934 |
| Salaries and benefits | 119,584 | 115,243 | 114,641 |
| Supplies | 18,513 | 18,601 | 15,295 |
| Telephone | 3,900 | 2,496 | 2,807 |
| Training | 1,775 | 9,725 | 1,731 |
| Travel | - | 5,265 | 2,521 |
| Utilities | 84,450 | 43,399 | 49,646 |
| Vehicle | 30,800 | 44,023 | 79,450 |
| | 506,480 | 330,750 | 391,498 |
| Deficit before transfers | (16,728) | (23,033) | (123,833) |
| Transfers between segments | 16,728 | 22,165 | 74,518 |
| Deficit | - | (868) | (49,315) |

War Lake First Nation
Capital
Schedule 11 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | 2023 <i>Budget</i> | 2023 | 2022 |
|----------------------------------|------------------------------|--------------------|-------------|
| Revenue | | | |
| Indigenous Services Canada | 200,000 | 1,000,000 | 7,611,164 |
| Other revenue | - | 381,360 | 346,697 |
| Deferred revenue - prior year | 775,000 | 2,298,931 | 2,304,307 |
| Deferred revenue - current year | - | (1,171,573) | (2,298,931) |
| Cancellation of deferred revenue | - | (1,164,307) | - |
| | 975,000 | 1,344,411 | 7,963,237 |
| Expenses | | | |
| Consulting | - | - | 23,007 |
| Freight and postage | 40,000 | 2,884 | - |
| Fuel | 32,953 | 11,170 | 32,953 |
| Furniture and equipment | - | 176,013 | - |
| Insurance | 20,497 | 33,790 | 70,497 |
| Repairs and maintenance | 831,921 | 179,255 | 579,725 |
| Salaries and benefits | 22,996 | 12,163 | 22,873 |
| | 948,367 | 415,275 | 729,055 |
| Surplus | 26,633 | 929,136 | 7,234,182 |

War Lake First Nation
War Lake Convenience Store Ltd.
Schedule 12 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | 2023 Budget | 2023 | 2022 |
|------------------------------|------------------------|-----------------|-------------|
| Revenue | | | |
| Sales | - | 829,054 | 968,636 |
| Cost of sales | | | |
| Opening inventory | - | 135,544 | 115,716 |
| Purchases | - | 654,191 | 650,103 |
| Ending inventory | - | (147,066) | (135,544) |
| | - | 642,669 | 630,275 |
| Expenses | | | |
| Administration | - | 17,522 | 13,816 |
| Amortization | - | 13,222 | 13,773 |
| Bad debts | - | 36,689 | (7,338) |
| Bank charges and interest | - | 5,576 | 7,848 |
| Commissions | - | 11,994 | 5,606 |
| Insurance | - | 24,420 | 9,254 |
| Office supplies and expenses | - | 4,669 | 7,447 |
| Professional fees | - | 46,231 | 54,587 |
| Renovations | - | 2,124 | 1,675 |
| Repairs and maintenance | - | 12 | - |
| Salaries and benefits | - | 92,460 | 90,712 |
| Telephone | - | 4,418 | 4,946 |
| Training | - | 1,666 | - |
| Travel | - | 2,620 | 167 |
| Utilities | - | 9,429 | 7,521 |
| | - | 273,052 | 210,014 |
| Surplus (deficit) | - | (86,667) | 128,347 |

War Lake First Nation
CMHC Housing Operations
Schedule 13 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | 2023 Budget | 2023 | 2022 |
|---|------------------------|-----------------|-----------------|
| Revenue | | | |
| Canada Mortgage and Housing Corporation | 64,740 | 65,257 | 64,954 |
| Rental income | 61,281 | 53,204 | 38,462 |
| | 126,021 | 118,461 | 103,416 |
| Expenses | | | |
| Amortization | 58,594 | 70,533 | 59,613 |
| Insurance | 17,410 | 23,905 | 20,499 |
| Interest on long-term debt | 19,728 | 19,509 | 17,959 |
| Professional fees | 25,636 | 25,636 | 24,560 |
| Repairs and maintenance | 29,336 | 12,396 | - |
| | 150,704 | 151,979 | 122,631 |
| Deficit before transfers | (24,683) | (33,518) | (19,215) |
| Transfers between segments | 24,683 | 35,917 | 27,083 |
| Surplus | - | 2,399 | 7,868 |

War Lake First Nation
War Lake First Nation Hydro Trust Funds
Schedule 14 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2023

| | 2023 Budget | 2023 | 2022 |
|------------------------------|------------------------|----------------|-------------|
| Revenue | | | |
| Other revenue | - | 570,291 | 464,605 |
| Expenses | | | |
| Bank charges and interest | - | 1,807 | 2,004 |
| Consulting | - | 396,564 | 327,321 |
| Honouraria | - | 28,000 | 30,000 |
| Office supplies and expenses | - | 5,000 | 5,140 |
| Professional fees | - | 3,675 | 5,000 |
| Program expense | - | 14,859 | 6,230 |
| Rent | - | 5,000 | 6,000 |
| Salaries and benefits | - | 30,376 | 53,359 |
| Telephone | - | 1,002 | 2,069 |
| Travel | - | 84,008 | 27,482 |
| | - | 570,291 | 464,605 |
| Surplus | - | - | - |