

**Fond du Lac Denesuline First Nation
Consolidated Financial Statements
March 31, 2022**

Fond du Lac Denesuline First Nation
Consolidated Financial Statements
March 31, 2022

	<i>Page</i>
Management's Responsibility for Financial Reporting.....	1
Independent Auditors' Report.....	2 - 3
 Financial Statements	
Consolidated Statement of Financial Position.....	4
Consolidated Statement of Operations.....	5
Consolidated Statement of Accumulated Surplus.....	6
Consolidated Statement of Change in Net Financial Assets.....	7
Consolidated Statement of Cash Flows.....	8
Notes to Consolidated Financial Statements.....	9 - 32
 Program schedules	
Community Infrastructure - Schedule #1.....	33
Economic Development - Schedule #2.....	34
Education - Schedule #3.....	35
Indigenous Government Support - Schedule #4.....	36
Land Management - Schedule #5.....	37
Social Development - Schedule #6.....	38
Registration and Membership - Schedule #7.....	39
Governance and Institutions of Governance - Schedule #8.....	40
Health Services - Schedule #9.....	41
CMHC Housing - Schedule #10.....	42
Other Band Programs - Schedule #11.....	43
Amortization - Schedule #12.....	45

Fond du Lac Denesuline First Nation
Management's Responsibility for Financial Reporting
March 31, 2022

To the Members of Fond du Lac Denesuline First Nation:

The accompanying consolidated financial statements of Fond du Lac Denesuline First Nation are the responsibility of management and have been approved by Chief and Council.

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

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

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the consolidated financial statements. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

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

On behalf of Fond du Lac Denesuline First Nation:

Signature on file
Fond du Lac Denesuline First Nation

November 6, 2024
Date



Chalupiak & Associates CPA Professional Corporation

Chartered Professional Accountants
3261 Saskatchewan Drive
Regina, Saskatchewan S4T 6S4
Phone: 306-359-3711 Fax: 306-569-3030

Independent Auditors' Report

To the Members of
Fond du Lac Denesuline First Nation

Qualified Opinion

We have audited the consolidated financial statements of Fond du Lac Denesuline First Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2022 and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Qualified Opinion

Canadian public sector accounting standards require the disclosure and ratification of budget information for comparison to the First Nation's actual revenue and expenses. The consolidated budgeted revenue, expenses and surplus were not available and have not been reported in these financial statements. While having no effect on reporting actual revenue, expenses and surplus, omission of this information is considered a departure from Canadian public sector accounting standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 (TCWG) are responsible for overseeing the First Nation's financial reporting process.

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

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 auditors' 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 auditors' 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.
- ◆ 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.

**Regina, Saskatchewan
November 7, 2024**

Chalupiak & Associates
CPA Professional Corporation
Chartered Professional Accountants

Fond du Lac Denesuline First Nation
Consolidated Statement of Financial Position
March 31, 2022

	2022	2021
Financial Assets		
Cash (Note 3)	\$ 1,920,823	\$ 3,197,450
Restricted cash - capital projects (Note 3)	14,275,433	3,813,273
Restricted cash - other (Note 3)	85,039	88,096
Trust funds held by federal government (Notes 3 and 4)	329,487	323,052
Accounts receivable (Notes 5 and 6)	1,921,825	1,108,106
Due from related party (Note 7)	2,435,194	1,817,055
Investments in government business enterprises (Notes 8 and 9)	30,748,885	28,219,109
Portfolio investments (Note 10)	111,268	111,268
	<u>51,827,954</u>	<u>38,677,409</u>
Liabilities		
Bank indebtedness (Notes 3 and 11)	204,725	308,739
Accounts payable (Note 12)	6,018,943	1,921,424
Due to related parties (Note 13)	124,936	203,116
Deferred revenue (Note 14)	17,895,831	11,199,215
Current portion of long-term debt (Note 15)	1,068,536	1,068,536
Current portion of CMHC mortgages (Note 16)	104,581	103,629
Long-term debt (Note 15)	711,990	1,780,273
CMHC mortgages (Note 16)	1,031,212	1,135,869
	<u>27,160,754</u>	<u>17,720,801</u>
Net financial assets	<u>24,667,200</u>	<u>20,956,608</u>
Non-financial Assets		
Capital assets (Note 17)	50,927,067	44,284,829
Prepaid expenses (Note 18)	80,227	69,695
	<u>51,007,294</u>	<u>44,354,524</u>
Accumulated Surplus (Note 19)	<u>\$ 75,674,494</u>	<u>\$ 65,311,132</u>

Approved on behalf of the Fond du Lac Denesuline First Nation:

Signature on file

Signature on file

The accompanying notes are an integral part of the financial statements

Fond du Lac Denesuline First Nation
Consolidated Statement of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue			
Indigenous Services Canada (ISC)	\$ 56,771	\$ 25,031,962	\$ 18,280,804
Trust funds held by federal government	-	6,435	9,937
Athabasca Health Authority (AHA)	1,220,174	1,656,625	1,881,615
Canada Mortgage and Housing Corporation (CMHC)	-	539,210	131,093
First Nations Trust (FNT)	-	408,914	459,730
Prince Albert Grand Council (PAGC)	467,841	804,212	675,379
PA First Nation Development Corporation	-	50,000	50,000
Impact Benefit Agreement (IBA)	-	141,173	62,254
Equity pickup in government business enterprises	-	2,774,308	(191,676)
Northern Lights Community Development Corporation	-	30,000	29,909
Federation of Sovereign Indigenous Nations (FSIN)	-	-	22,500
Rental income	-	25,875	45,801
Interest revenue	-	7,624	740
Other revenue	-	245,380	419,840
Deferred revenue - prior year	58,318	11,199,215	3,836,428
Deferred revenue - current period	-	(17,895,831)	(11,199,215)
	1,803,104	25,025,102	14,515,139
Expenses			
Community Infrastructure (Schedule 1)	-	2,187,793	1,642,113
Economic Development (Schedule 2)	-	167,755	175,769
Education (Schedule 3)	-	814,334	966,587
Indigenous Government Support (Schedule 4)	-	2,498,222	3,101,663
Land Management (Schedule 5)	-	19,671	-
Social Development (Schedule 6)	56,771	3,434,699	3,303,206
Registration and Membership (Schedule 7)	-	16,131	17,141
Governance and Institutions of Governance (Schedule 8)	-	16,246	15,201
Health Services (Schedule 9)	1,653,029	1,848,453	1,570,445
CMHC Housing (Schedule 10)	-	136,276	126,561
Other Band Programs (Schedule 11)	-	729,194	580,943
Amortization (Schedule 12)	-	2,792,968	2,829,172
	1,709,800	14,661,742	14,328,801
Current surplus	\$ 93,304	\$ 10,363,360	\$ 186,338

The accompanying notes are an integral part of the financial statements

Fond du Lac Denesuline First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2022

	2022	2021
Surplus at beginning of year	\$ 65,311,132	\$ 65,124,794
Current surplus	10,363,360	186,338
Surplus at end of year	\$ 75,674,492	\$ 65,311,132

The accompanying notes are an integral part of the financial statements

Fond du Lac Denesuline First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Current surplus	\$ 93,304	\$ 10,363,360	\$ 186,338
Acquisition of capital assets	-	(9,435,204)	(2,633,728)
Amortization of capital assets	-	2,792,968	2,829,172
Loss on disposal of capital assets	-	-	67,749
	-	(6,642,236)	263,193
Acquisition of prepaid asset	-	(80,227)	(69,695)
Use of prepaid asset	-	69,695	15,704
	-	(10,532)	(53,991)
Increase in net financial assets	93,304	3,710,592	395,540
Net financial assets at beginning of year	20,956,608	20,956,608	20,561,068
Net financial assets at end of year	\$ 21,049,912	\$ 24,667,200	\$ 20,956,608

The accompanying notes are an integral part of the financial statements

Fond du Lac Denesuline First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash flows from		
Operating activities		
Current surplus	\$ 10,363,360	\$ 186,338
Amortization	2,792,968	2,829,172
Loss from disposal of capital assets	-	67,749
Loss (earnings) from investment in business partnerships	(2,772,000)	190,962
Loss (earnings) from investment in incorporated businesses	(2,308)	714
	10,382,020	3,274,935
Change in non-cash operating working capital		
Accounts receivable	(813,719)	(84,398)
Prepaid expenses	(10,532)	(53,990)
Accounts payable	4,097,520	272,068
Deferred revenue	6,696,616	7,362,787
Trust funds held by federal government	(6,435)	(9,937)
	20,345,470	10,761,465
Capital activities		
Acquisition of capital assets	(9,435,205)	(2,633,729)
Financing activities		
Due from related parties	(618,139)	(1,817,055)
Due to related parties	(78,180)	92,484
Long-term debt - repayment	(1,068,283)	(1,068,458)
CMHC mortgages - repayment	(103,705)	(102,043)
	(1,868,307)	(2,895,072)
Investing activities		
Contributions to business partnerships	(110,000)	(50,000)
Withdrawals from business partnerships	354,532	86,849
Restricted cash - CMHC	3,101	-
Restricted cash - other	(44)	(86)
	247,589	36,763
Increase in cash and cash equivalents	9,289,547	5,269,427
Cash and cash equivalents, beginning of year	6,701,984	1,432,557
Cash and cash equivalents, end of year	\$ 15,991,531	\$ 6,701,984
Represented by		
Cash	\$ 1,920,823	\$ 3,197,450
Bank indebtedness	(204,725)	(308,739)
Restricted cash - capital projects	14,275,433	3,813,273
	\$ 15,991,531	\$ 6,701,984

The accompanying notes are an integral part of the financial statements

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

1. Operations

The Fond du Lac Denesuline First Nation ("the First Nation") is located in the province of Saskatchewan, Canada and provides various services to its members. These financial statements include the First Nation's government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

The office of the First Nation is physically located on Fond du Lac I.R. 227-233 and the mailing address is P.O. Box 211, Fond du Lac, Saskatchewan, S0J 0W0, Canada.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board.

(a) Reporting entity

The Fond du Lac Denesuline First Nation's reporting entity includes the Fond du Lac Denesuline First Nation's government and all related entities that are controlled by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Fond du Lac Denesuline First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Fond du Lac Denesuline First Nation.

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

Fond du Lac Mineral Resources Inc;
Fond du Lac Power Corporation; and,
Fond du Lac Hydro Inc.

The Fond du Lac Denesuline First Nation maintains financial records in six different sets of data as follows:

Administration;
Education;
Post Secondary;
IBA;
Health; and,
Social Development.

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

2. Basis of presentation and significant accounting policies, continued

(b) Principles of consolidation, continued

Organizations accounted for on a modified equity basis include:

Fond du Lac First Nation Development Limited Partnership;
Fond du Lac First Nation (2008) Development Corporation;
Waterfound Development Limited Partnership; and,
Waterfound Development Corp.

The Fond du Lac Specific Claim Trust is not included in the consolidated financial statements as it is administered and controlled by Trustees.

(c) Other economic interests

The First Nation does not share in the control or the profit or loss of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of the Fond du Lac Denesuline First Nation.

The First Nation is a member of the Prince Albert Grand Council (PAGC Management Co. Ltd. or "PAGC"). The PAGC is an organization of twelve Nations. The PAGC is mandated to enhance the services provided to the member Nations.

The First Nation is a member of the Yuthe Dene Sekwi Chu L A Koe Betsedi Inc. (Athabasca Denesuline Child and Family Services Inc. or "ADCFS"). ADCFS is an organization of three Nations. The mandate of ADCFS is to provide child and family protection and prevention services on reserve to the three member Nations.

The First Nation is a member of the Athabasca Health Authority ("AHA"). AHA is an organization of three Nations and three municipalities. AHA is mandated to provide comprehensive health services.

The First Nation is a member of the Athabasca Enterprise Region Corporation ("AERC"; previously Athabasca Economic Development and Training Corporation). The AERC is an organization of three Nations and four municipalities. The AERC is mandated to maximize economic capacity and achieve business competitiveness for the region.

The First Nation is a member of the Athabasca Denesuline Education Authority ("ADEA"). ADEA is an organization representing the three Denesuline Nation Bands in the Athabasca Region of Saskatchewan, Canada. ADEA is mandated to provide all educational services from Pre-Kindergarten to Grade 12 for communities and schools.

(d) Asset classification

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

(e) Net financial assets

The financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets are determined by its financial assets less liabilities. Net financial assets do not include non-financial assets.

2. Basis of presentation and significant accounting policies, continued

(f) Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts 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, 2022. No contaminated sites have been identified as at March 31, 2022.

(g) Cash

Cash includes unrestricted cash balances with banks (net of bank overdrafts) which are used to facilitate day to day operations.

(h) Restricted cash

Restricted cash consists of cash and cash equivalents held for specific purposes as defined by various agreements.

(i) Trust funds

Funds earned and held in trust on behalf of First Nation members by the Government of Canada. Trust moneys consist of:

- Capital Trust moneys are Trust moneys that come from the sale of the First Nation's surrendered lands, from an interest in the land or from the sale of the First Nation's non-renewable resources; and,
- Revenue Trust moneys generated primarily through land leasing transactions or interest earned on deposits held in Trust.

Revenues from Trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

(j) Capital assets

Capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Amortization is provided for on a straight-line basis over their estimated useful lives.

Buildings	10 - 25 years Straight line
Vehicles	3 - 5 years Straight line
Office equipment	3 - 5 years Straight line
Equipment	5 years Straight line
Heavy equipment	4 - 5 years Straight line
Band Houses	20 years Straight line
CMHC Houses	20 years Straight line
Infrastructure	33 years Straight line

2. Basis of presentation and significant accounting policies, continued

(j) Capital assets, continued

Capital assets are written down when conditions indicate that they no longer contribute to Fond du Lac Denesuline First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(k) 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 when 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 that 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 statement of operations as the stipulation liabilities are settled.

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.

(l) 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 their fair value. The First Nation subsequently measures all financial instruments at cost except for the portfolio investments in equity instruments that are quoted in an active market are measured at fair value. Transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost.

Financial instruments includes cash, restricted cash, accounts receivable, portfolio investments, accounts payable and accrued liabilities.

(m) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services, some funding agreements allow for a percentage of revenue to be allocated to cover these expenses. At the discretion of the First Nation, a corresponding revenue and expense may be recorded and referred to as "Administration fees - internal allocation."

2. Basis of presentation and significant accounting policies, continued

(n) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

(o) Segment accounting

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

For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

3. Cash

Cash is comprised of the following:

Unrestricted cash: Bank accounts used to facilitate day to day normal operations.

Restricted cash: Bank accounts that are restricted to a specific purpose as per the terms of an existing agreement. In some cases, these accounts are controlled by a project manager.

Restricted cash - CMHC: Under the terms of an agreement with Canada Mortgage and Housing Corporation, Fond du Lac Denesuline First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund and the Operating Reserve Fund.

Trust funds held by federal government: Revenues generated from land leases and/or head leases of reserve land are held in trust by the federal government for the benefit of the Fond du Lac Denesuline First Nation.

	2022	2021
Unrestricted cash		
General operations	\$ 1,608,192	\$ 2,871,099
CMHC operations	32,867	84,819
Post secondary operations	72,069	-
Health operations	174,786	228,912
IBA operations	32,909	12,620
	<u>1,920,823</u>	<u>3,197,450</u>
Bank indebtedness		
Social development operations	(144,909)	(230,495)
Education operations	(59,816)	(62,059)
Post secondary operations	-	(16,184)
	<u>(204,725)</u>	<u>(308,738)</u>
Restricted cash - capital projects		
WTP expansion	6,424,480	1,019,000
School renovations	1,698,682	503,219
Environmental remediation	3,887,098	2,183,053
Garbage truck & equipment storage building	6,162	6,156
SPS assessment	94,700	101,845
Subdivision	2,014,311	-
Teacherage Renovation	150,000	-
	<u>14,275,433</u>	<u>3,813,273</u>

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

3. Cash, continued

Restricted cash - other		
FNB - GIC - bearing interest at 0.10%	43,827	43,783
CMHC replacement reserve	41,212	44,313
	<u>85,039</u>	<u>88,096</u>
Trust funds held by federal government		
Revenue funds	327,507	321,072
Capital funds	1,980	1,980
	<u>329,487</u>	<u>323,052</u>
	<u>\$ 16,406,057</u>	<u>\$ 7,113,133</u>

4. Trust funds held by federal government

The Trust funds held by federal government 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 are primarily governed by Sections 63 to 69 of the Indian Act.

	2022	2021
Revenue funds held in trust	\$ 327,507	\$ 321,072
Capital funds held in trust	1,980	1,980
	<u>\$ 329,487</u>	<u>\$ 323,052</u>

	2022		2022		2022		2021
	Revenue		Capital		Total		Total
Surplus, beginning of year	\$ 321,072	\$ 1,980	\$ 323,052	\$ 313,115			
Lease revenue	221	-	221	6,221			
Interest earnings	6,214	-	6,214	3,716			
Surplus, end of year	<u>\$ 327,507</u>	<u>\$ 1,980</u>	<u>\$ 329,487</u>	<u>\$ 323,052</u>			

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

5. Accounts receivable

	2022	2021
Due from members		
Advances	\$ 22,954	\$ 4,604
Advances - social development	42,975	54,670
	65,929	59,274
Due from others		
Trade receivables	5,516	1,766
First Nation Trust	-	344,798
Prince Albert Grand Council	306,315	276,677
Athabasca Health Authority	335,716	138,632
Northern Lights Community Development Corporation	35,000	48,502
	682,547	810,375
Due from government and other government organizations		
Indigenous Services Canada (ISC)	821,717	280,767
CMHC subsidy	410,893	10,893
	1,232,610	291,660
	1,981,086	1,161,309
Allowance for doubtful accounts	(59,261)	(53,203)
Total accounts receivable	\$ 1,921,825	\$ 1,108,106

6. Accounts receivable - ISC

	2022	2021
Institutional Care - 2019/2020	\$ 10,667	\$ 10,667
Institutional Care - 2021/2022	257,302	-
ICFS3 - Perimeter Security (COVID-19)	-	25,000
ICFS3 - Food Security (COVID-19)	-	245,100
Subdivision Expansion Project - 2021/2022	553,748	-
Total accounts receivable - ISC	\$ 821,717	\$ 280,767

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

7. Due from related party

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties. Due from amounts are unsecured, non-interest bearing and have no fixed repayment schedules.

	2022	2021
Fond du Lac First Nation Development Limited Partnership		
Unexpended funds - housing 14 units	\$ 1,398,914	\$ 1,688,608
Unexpended funds - renovations	6,415	128,447
Unexpended funds - band based capital - 2020-2021	37,038	-
Unexpended funds - band based capital - 2021-2022	26,033	-
Unexpended funds - immediate needs	966,794	-
	<u>\$ 2,435,194</u>	<u>\$ 1,817,055</u>

8. Investment in government business enterprises

Commercial enterprises are those organizations that meet the definition of government business enterprise as described by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	2022	2021
Fond du Lac First Nation Development Limited Partnership - 99.90% ("FDLFNDLP")	\$ 29,512,667	\$ 27,045,715
Fond du Lac First Nation (2008) Development Corporation - 100% ("FDLFNDC")	18,653	16,349
Waterfound Development Corp. - 33.33% ("WDC")	1,862	1,858
Waterfound Development Limited Partnership - 33.33% ("WDLP")	1,215,703	1,155,187
	<u>\$ 30,748,885</u>	<u>\$ 28,219,109</u>

	Investment, start of year	Contributions	Withdrawals	Share of earnings (loss)	Investment, end of year
FDLFNDLP	\$ 27,045,715	\$ 110,000	\$ (294,532)	\$ 2,651,484	\$ 29,512,667
FDLFNDC	16,349	-	-	2,304	18,653
WDC	1,858	-	-	4	1,862
WDLP	1,155,187	-	(60,000)	120,516	1,215,703
	<u>\$ 28,219,109</u>	<u>\$ 110,000</u>	<u>\$ (354,532)</u>	<u>\$ 2,774,308</u>	<u>\$ 30,748,885</u>

The First Nation's investment in Fond du Lac First Nation Development Limited Partnership and its general partner, Fond du Lac First Nation (2008) Development Corporation were established for the purposes of managing, evaluating and building its investments and operating its for-profit enterprises. Waterfound Development Limited Partnership and its general partner, Waterfound Development Corp. were established to hold investments with the other two Nation Partners.

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

9. Investment in government business enterprises - summary

	FDLFNDLP Mar 31, 2022	WDLP Dec 31, 2021	FDLFNDC Mar 31, 2022	WDC Dec 31, 2021
Cash	\$ 3,028,553	\$ 13,209	\$ -	\$ -
Accounts receivable	296,009	-	-	-
Prepaid expenses	17,007	-	-	-
Capital assets	2,031,486	-	-	-
Due from related parties	124,936	-	-	150
Investments	27,005,128	3,641,014	24,699	7,732
Investment property	528,813	-	-	-
Total assets	\$ 33,031,932	\$ 3,654,223	\$ 24,699	\$ 7,882
Accounts payable	\$ 361,216	\$ 5,001	\$ 6,046	\$ 344
Reserve - engine overhaul	331,875	-	-	-
Loans payable	366,288	-	-	-
Due to related parties	2,435,194	-	-	1,950
Total liabilities	3,494,573	5,001	6,046	2,294
Equity	29,537,359	3,649,222	18,653	5,588
Total liabilities and equity	\$ 33,031,932	\$ 3,654,223	\$ 24,699	\$ 7,882
	FDLFNDLP Mar 31, 2022	WDLP Dec 31, 2021	FDLFNDC Mar 31, 2022	WDC Dec 31, 2021
Revenue	\$ 834,990	\$ 368,431	\$ 2,654	\$ 363
ISC flow through	932,147	-	-	-
Equity pickup	2,727,184	-	-	-
Portfolio investment	306,141	-	-	-
	4,800,462	368,431	2,654	363
Expenses	2,146,324	6,520	350	350
Net earnings (loss)	\$ 2,654,138	\$ 361,911	\$ 2,304	\$ 13

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

10. Portfolio investments

	2022	2021
CanAlaska Uranium Ltd. - 400,000 shares	\$ 71,668	\$ 71,668
Prince Albert Development Corporation (8.33%) ("PADC")	39,600	39,600
Prince Albert First Nation Business Development Limited Partnership (8.25%) ("PAFNBDLP")	-	-
Total	\$ 111,268	\$ 111,268

CanAlaska Uranium Ltd. shares have a fair market value of \$250,720 (2021 - \$216,000).

Summarized financial information as at March 31, 2022 for non-publicly traded portfolio investments is presented below:

	Assets	Liabilities	Equity	Revenue	Expenses	Net Earnings
PADC	307,783	12,557	295,226	42,076	11,035	31,041
PAFNBDLP	21,832,747	115,125	21,717,622	4,476,879	268,535	4,208,344

11. Bank indebtedness

Bank indebtedness includes balances and cheques issued in excess of deposits and approved operating lines of credit.

The First Nation has three separate operating lines of credit with First Nations Bank (FNB) authorized to \$425,000 at an interest rate of prime plus 1.5%. The operating lines are secured by a general security agreement on all assets, Band Council Resolution directing funding to the First Nations Bank and a corporate guarantee from the Fond du Lac First Nation Development Limited Partnership.

- General: \$250,000
- Social Development: \$100,000
- Education: \$75,000

	2022	2021
Social development	\$ 144,909	\$ 230,495
Education	59,816	62,059
Post Secondary	-	16,184
	\$ 204,725	\$ 308,738

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

12. Accounts payable

	2022	2021
Due to members		
Wages payable	\$ -	\$ 166,646
Due to others		
Prince Albert Grand Council	63,154	146,654
Trade payables	657,269	352,960
Trade payables - capital projects	4,603,594	614,535
Accrued liabilities	334,528	268,497
Group insurance	9,903	10,040
Pension	26,102	27,125
Accrued interest on long-term debt	6,327	9,249
Other deductions payable	22,040	20,960
	5,722,917	1,450,020
Due to government and other government organizations		
Canada Revenue Agency	10,350	19,082
Indigenous Services Canada (ISC)	285,676	285,676
	296,026	304,758
	\$ 6,018,943	\$ 1,921,424

13. Due to related party

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties. Due to amounts are unsecured, non-interest bearing and have no fixed repayment schedules.

	2022	2021
Fond du Lac First Nation Development Limited Partnership		
Reimbursements for expenses paid on behalf of FDLDFN	\$ (28,516)	\$ (36,688)
Band based capital expenses	-	(166,428)
LEDSP program	(96,420)	-
	\$ (124,936)	\$ (203,116)

Fond du Lac Denesuline First Nation

Notes to Consolidated Financial Statements

March 31, 2022

14. Deferred revenue

Indigenous Services Canada (ISC) funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement, the unexpended funds may be retained by the recipient, repaid to ISC, deferred to the following year, or transferred to another ISC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue" on the financial statements.

	March 31, 2021	Funding received, 2022	Revenue recognized, 2022	March 31, 2022
Indigenous Services Canada (ISC) funding				
Water and sanitation	\$ 522,396	\$ 619,339	\$ (441,496)	\$ 700,239
Water systems	171,920	692,213	(382,359)	481,774
Electrical	-	50,042	(38,829)	11,213
Community buildings	-	376,738	(266,246)	110,492
Landfill compliance funding	26,668	-	(26,668)	-
Fuel storage tank removal	42,000	-	-	42,000
Infrastructure - landfill	20,000	-	-	20,000
School renovations project	498,240	1,200,614	(1,052)	1,697,802
Water treatment plant	376,953	8,001,648	(5,585,345)	2,793,256
Remediation project	5,209,621	145,227	(712,954)	4,641,894
Garbage truck & equipment storage	470,275	7	-	470,282
SPS assessment	402,857	112	(3,056)	399,913
Subdivision expansion	-	4,153,748	(2,647,473)	1,506,275
Teachorage renovation	-	150,000	-	150,000
Housing renovations	115,896	-	(115,896)	-
Housing - duplex/4-plex	1,688,449	-	(289,694)	1,398,755
Housing immediate needs	-	966,794	-	966,794
Teachorage maintenance	89,865	99,850	(9,985)	179,730
Post secondary student support	292,324	944,862	(798,271)	438,915
Employee benefits - group insurance	-	20,089	(12,879)	7,210
Employment benefits - pension	17,941	53,820	(22,626)	49,135
COVID-19 - EMAP	348,066	749,039	(926,992)	170,113
Basic needs	380,855	1,966,666	(1,894,451)	453,070
Service delivery	93,933	229,931	(127,486)	196,378
In-home care	14,983	71,996	(69,153)	17,826
Employment training	122,790	182,203	(134,986)	170,007
Institutional care	37,204	1,182,647	(1,106,623)	113,228
P&ID - housing finance training	32,799	-	-	32,799
P&ID - strategic plan	15,000	-	-	15,000
Supplementary P&ID	12,618	-	-	12,618
Expert resources	21,745	40,650	(16,246)	46,149
Daycare	18,277	-	(18,277)	-
CDCM - COVID-19	-	314,210	(47,131)	267,079
	11,043,675	22,212,445	(15,696,174)	17,559,946

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

14. Deferred revenue, continued

	March 31, 2021	Funding received, 2022	Revenue recognized, 2022	March 31, 2022
Prince Albert Grand Council (PAGC)				
Harvester's Grant	-	34,270	-	34,270
Headstart	57,299	70,000	(63,008)	64,291
Headstart - IELCC	-	180,923	(104,329)	76,594
Headstart - ELCC	-	17,273	(9,962)	7,311
Headstart - FMM	-	6,500	(3,252)	3,248
Daycare	-	101,179	(63,777)	37,402
Daycare IELCC	98,241	185,319	(170,791)	112,769
	155,540	595,464	(415,119)	335,885
	\$ 11,199,215	\$ 22,807,909	\$ (16,111,293)	\$ 17,895,831

15. Long-term debt

	2022	2021
First Nations Bank of Canada - Construction of Arena. Term loan - bearing interest at prime + 1.50%. Principal repayments of \$25,009 per quarter plus interest paid monthly. Secured by re-direction of partner distributions from Athabasca Basin Development LP; matures October 1, 2027.	\$ 545,357	\$ 645,140
First Nations Bank of Canada - Construction of 12 housing units. Term loan - bearing interest at prime plus 1.50%. Principal repayments of \$35,875 per month plus interest paid monthly. Secured by BCR authorizing continued redirection of First Nations Trust dividends, any shortfall to be covered by Fond du Lac First Nation Development LP; matures January 1, 2025.	574,000	1,004,500
First Nations Bank of Canada - Construction of 14 housing units. Term loan - bearing interest at prime + 1.50%. Annual principle payments of \$190,000 due April 1st of each year, quarterly principle payments of \$87,000 plus interest paid monthly. Secured by BCR authorizing redirection of \$190,000 ISC Band Based Capital until the loan is paid in full and continued redirection of First Nations Trust dividends; matures February 1, 2024.	661,169	1,199,169
	1,780,526	2,848,809
Less: Current portion	1,068,536	1,068,536
	\$ 711,990	\$ 1,780,273

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

15. Long-term debt, continued

Principal portion of long-term debt due within the next five years:

2023	\$ 1,068,536
2024	366,705
2025	100,036
2026	100,036
2027 and thereafter	145,213
	<u>\$ 1,780,526</u>

	2022	2021
Interest expense for the year on long-term debt	\$ 85,841	\$ 128,061

16. CMHC mortgages

	Phase number	Renewal Date	Interest rate	Blended monthly payments	2022	2021
CMHC	1	2024-10-01	1.75 %	\$ 3,966	\$ 295,792	\$ 337,828
CMHC	2	2026-06-01	1.13 %	2,770	435,063	463,222
CMHC	3	2022-12-01	1.97 %	3,485	404,938	438,448
					1,135,793	1,239,498
Less: current portion					104,581	103,629
Due beyond one year					<u>1,031,212</u>	<u>1,135,869</u>

Principal portion of CMHC mortgages due within the next five years:

2023	104,581
2024	106,310
2025	108,069
2026	109,858
2027 and thereafter	706,975
	<u>1,135,793</u>

	2022	2021
Interest expense for the year on CMHC mortgages	\$ 18,952	\$ 20,632

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

17. Capital assets

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Transfers / Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2022 net book value
Buildings	\$ 23,466,907	\$ -	\$ -	\$ 23,466,907	\$ 18,625,187	\$ 553,165	\$ -	\$ 19,178,352	\$ 4,288,555
Vehicles	403,875	-	-	403,875	359,918	21,978	-	381,896	21,979
Office equipment	86,338	-	-	86,338	77,839	8,062	-	85,901	437
Equipment	1,412,453	-	-	1,412,453	1,184,842	94,115	-	1,278,957	133,496
Heavy Equipment	594,104	55,000	-	649,104	594,104	13,750	-	607,854	41,250
Band Houses	15,809,499	143,687	209,104	16,162,290	11,386,490	468,970	-	11,855,460	4,306,830
CMHC Houses	2,668,572	-	-	2,668,572	1,348,641	133,429	-	1,482,070	1,186,502
Infrastructure	51,139,016	-	-	51,139,016	22,938,232	1,499,498	-	24,437,730	26,701,286
Assets under construction	5,219,318	9,236,518	(209,104)	14,246,732	-	-	-	-	14,246,732
	<u>\$ 100,800,082</u>	<u>\$ 9,435,205</u>	<u>\$ -</u>	<u>\$ 110,235,287</u>	<u>\$ 56,515,253</u>	<u>\$ 2,792,967</u>	<u>\$ -</u>	<u>\$ 59,308,220</u>	<u>\$ 50,927,067</u>

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

17. Capital assets, continued

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Transfers / Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2021 net book value
Buildings	\$ 23,382,912	\$ -	\$ 83,995	\$ 23,466,907	\$ 18,072,022	\$ 553,165	\$ -	\$ 18,625,187	\$ 4,841,720
Vehicles	757,328	-	(353,453)	403,875	611,107	34,516	(285,705)	359,918	43,957
Office equipment	85,027	1,311	-	86,338	67,005	10,834	-	77,839	8,499
Equipment	1,283,935	-	128,518	1,412,453	1,090,728	94,114	-	1,184,842	227,611
Heavy Equipment	594,104	-	-	594,104	569,764	24,340	-	594,104	-
Band Houses	14,738,474	-	1,071,025	15,809,499	10,914,683	471,807	-	11,386,490	4,423,009
CMHC Houses	2,668,572	-	-	2,668,572	1,215,212	133,429	-	1,348,641	1,319,931
Infrastructure	46,409,380	-	4,729,636	51,139,016	21,431,264	1,506,968	-	22,938,232	28,200,784
Assets under construction	8,600,075	2,632,417	(6,013,174)	5,219,318	-	-	-	-	5,219,318
	<u>\$ 98,519,807</u>	<u>\$ 2,633,728</u>	<u>\$ (353,453)</u>	<u>\$ 100,800,082</u>	<u>\$ 53,971,785</u>	<u>\$ 2,829,173</u>	<u>\$ (285,705)</u>	<u>\$ 56,515,253</u>	<u>\$ 44,284,829</u>

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

18. Prepaid expenses

	2022	2021
Post secondary - student living allowance	\$ 25,690	\$ 29,810
Insurance premium	54,537	39,885
	<u>\$ 80,227</u>	<u>\$ 69,695</u>

19. Accumulated surplus

	2022	2021
<u>Restricted</u>		
Capital assets	\$ 48,010,748	\$ 40,196,523
Investments in government business enterprises	30,748,885	28,219,109
Portfolio investments	111,268	111,268
CMHC replacement reserve	652,861	240,735
Trust funds held by federal government	329,487	323,052
	79,853,249	69,090,687
<u>Unrestricted</u>		
Operating deficit	(4,178,755)	(3,779,554)
	<u>\$ 75,674,494</u>	<u>\$ 65,311,133</u>

Capital asset represents the net book value of capital assets less any long-term debt taken out to acquire the capital assets that will be used to provide future services.

Investments in government business enterprises represent amounts not readily available for operations as the investments are not likely to be liquidated within the next year.

Portfolio investments represent other commercial business operations owned by the First Nation.

CMHC replacement reserve is the amount required to be funded for future housing major repairs, as per agreements with CMHC.

Trust funds held by federal government are monies held by the federal government for use by the First Nation for specific purposes.

20. ISC contributions

	2022	2021
ISC revenue per confirmation	\$ 25,031,962	\$ 18,280,804

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

21. Economic dependence

The First Nation receives a substantial amount of its funding from Indigenous Services Canada ("ISC"). The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments.

22. CMHC reserves and restricted cash

It is a requirement of the CMHC operating agreement that operating and replacement reserves be established and monies be set aside in separate bank accounts. On March 31, 2022, the reserve accounts were under funded (2021 - under funded). The reserve amounts are not reported separately on these financial statements, but are included in equity.

23. Impact Benefit Agreement (IBA)

For the year ended March 31, 2022, the First Nation received \$141,173 (2021 - \$62,254) from an impact benefit agreement (IBA) signed with Cameco and AREVA.

24. Contingent liabilities

Fond du Lac Denesuline First Nation has the following contingent liabilities:

- a) Fond du Lac Denesuline First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.
- b) In addition, in the normal course of its operations, Fond du Lac Denesuline First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Fond du Lac Denesuline First Nation's financial statements.
- c) Fond du Lac Denesuline First Nation is contingently liable for \$700,000 of a loan issued to the Athabasca Denesuline Child & Family Services Inc. for the construction of the group home. The loan balance outstanding as of March 31, 2022 is \$1,652,390. The loan bears interest at 4.84%, monthly payments of \$20,979 of combined principle and interest and matures February 1, 2030.
- d) Fond du Lac Denesuline First Nation is contingently liable for loans issued to Fond du Lac First Nation Development Limited Partnership for the RCMP duplex construction. The loan balance outstanding as of March 31, 2022 is \$366,288. The loan bears interest at 5.62%, monthly payment of \$2,898 of combined principle and interest, and matures July 1, 2036.

25. Denesuline Ne Ne Land Corp.

The First Nation is party to a government partnership operating as a not-for-profit corporation (Denesuline Ne Ne Land Corp.) with two other First Nations. The government partnership has not been reported in these financial statements on a proportionate basis as a result of the First Nations not agreeing to an allocation of the potential settlement payout, and as a result the 'ownership' of the government partnership.

26. Related party transactions

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties. Due from (to) amounts are unsecured, non-interest bearing and have no fixed repayment schedules.

27. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year. There is no liability for vacation or overtime reported in these financial statements.

Post-employment benefits

Fond du Lac Denesuline First Nation does not provide extended health, dental and life insurance benefits to retired employees and therefore has no obligations with regards to post employment benefits.

Pension plan

Fond du Lac Denesuline First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5.5% of their basic salary; Fond du Lac Denesuline First Nation contributes a matching portion, which is directed to the member's contribution account. Fond du Lac Denesuline First Nation does not have any other obligations with regards to the pension plan as at March 31, 2022.

28. Financial instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant financial instrument risk arising from these financial instruments except as otherwise disclosed:

Credit concentration and risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. As at March 31, 2022, receivables from funding agencies accounted for 96% of the outstanding accounts receivable balance.

Risk management

The First Nation manages its credit risk by performing regular assessments and providing allowances for potentially uncollectible accounts receivable.

Fair Value of Financial Instruments

The carrying amount of cash, accounts receivable, accounts payables and accrued liabilities approximate their fair value due to their short-term nature.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates.

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

28. Financial instruments, continued

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation is exposed to liquidity risk primarily from its accounts payables and accrued liabilities. The First Nation manages liquidity risk by monitoring its cash and maintaining liquid assets.

29. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and derived from the estimates approved by the Fond du Lac Denesuline First Nation.

30. Comparative figures

Comparative figures have been reclassified, where applicable, to conform to current year's presentation.

31. Expenses by object

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Advertising, promotions, sponsorships	\$ -	\$ -	\$ 348
Administration	13,447	43,266	31,440
Amortization	-	2,792,968	2,829,172
Assistance - band members	-	1,567,397	1,408,230
Assistance - social development	-	1,996,451	1,923,004
Bad debts (recovery of bad debt)	-	13,456	(2,195)
Bank charges and interest	1,800	50,937	43,768
COVID-19 related expenses	-	1,142,470	1,855,917
Childcare expense	-	1,625	-
Christmas and New Years supper	-	-	2,027
Community events	29,250	143,638	134,524
Consultants and contractors	-	9,557,640	2,889,841
Cultural programs	-	300,759	123,729
Donations	-	-	7,000
Election expenses	-	88,145	61,322
Equipment purchases	-	110,799	17,944
Equipment rental	1,200	25,785	52,727
Freight	-	18,470	58,107
Hunting trail clearing	-	2,996	-
IBA program expenses	-	108,831	113,203
Insurance	20,722	105,008	100,387
Long term debt - principle and interest payments	-	1,154,124	1,196,519
Long term debt - principle repayment	-	(1,068,283)	(1,068,458)
Loss on disposal of assets	-	-	67,749

Fond du Lac Denesuline First Nation
Notes to Consolidated Financial Statements
March 31, 2022

31. Expenses by object, continued

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Miscellaneous expense	-	53,002	74,842
Mortgage - principle and interest payments	-	122,657	122,676
Mortgage - principle repayment	-	(103,705)	(102,043)
Northern Lights projects	-	22,432	30,982
Outdoor play space enhancement	8,400	-	-
Play materials and equipment	14,400	5,795	9,476
Post Secondary - administration	-	115,329	102,795
Post Secondary - student expenses	-	644,817	555,610
Professional fees	15,439	144,864	101,284
Program expenses	217,844	393,808	571,014
Rent - office	-	83,223	67,195
Repairs and maintenance	4,351	444,127	237,538
Student expenses	-	43,711	50,585
Supplies	72,262	488,233	233,612
Telephone	12,000	51,993	40,967
Traditional healer	3,822	-	-
Training	48,000	160,939	134,833
Travel, meetings, per diems	84,840	357,441	153,327
Utilities	30,000	278,679	256,865
Vehicle and fuel	-	83,348	98,971
Vehicle rental	-	31,790	15,986
Wages and benefits	1,114,498	2,515,982	2,355,658
Youth Bike-a-thon	-	2,000	-
Youth conference	17,525	-	150
Youth winter survival	-	-	3,902
Transfer to capital assets	-	(9,435,205)	(2,633,729)
	\$ 1,709,800	\$ 14,661,742	\$ 14,328,801

32. Segmented information

As previously discussed in note 2(o) the First Nation conducts its business through reportable segments as follows:

Community Infrastructure:

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education:

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with ISC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indigenous Government Support:

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Land Management:

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

32. Segmented information, continued

Social Development:

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Registration and Membership:

Costs associated with the maintenance of the band membership list, a record of everyone who is registered as a member of the First Nation under the Indian Act.

Governance and Institutions of Government:

Costs associated with Governance and Institution of Government activities.

Health Services

Reports on costs associated with the development of safe and healthy communities.

Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

Other Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Inter-segment transfers are recorded at their exchange amount. Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

Schedule #1
Fond du Lac Denesuline First Nation
Community Infrastructure
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue			
Indigenous Services Canada - fixed	\$ -	\$ 2,357,330	\$ 5,834,963
Indigenous Services Canada - flexible	-	14,941,073	4,661,587
Prince Albert Grand Council (PAGC)	-	71,004	56,000
Interest revenue	-	7,608	720
Deferred revenue - prior year	-	9,545,275	3,319,014
Deferred revenue - current period	-	(15,390,688)	(9,545,275)
	-	11,531,602	4,327,009
Expenses			
Administration - internal allocation	-	219,528	156,631
COVID-19 related expenses	-	34,848	24,365
Consultants and contractors	-	9,510,178	2,848,141
Equipment purchases	-	74,509	7,328
Equipment rental	-	2,800	18,785
Freight	-	11,163	48,569
Insurance	-	85,064	84,948
Long term debt - principle and interest payments	-	1,154,124	1,196,519
Long term debt - principle repayment	-	(1,068,283)	(1,068,458)
Repairs and maintenance	-	422,122	232,331
Supplies	-	343,590	94,370
Telephone	-	668	-
Training	-	13,736	-
Travel, meetings, per diems	-	32,420	32,063
Utilities	-	243,873	196,867
Vehicle and fuel	-	82,534	58,902
Vehicle rental	-	29,350	15,986
Wages and benefits	-	430,774	327,182
Transfer to capital assets	-	(9,435,205)	(2,632,418)
	-	2,187,793	1,642,111
Current surplus before transfers	-	9,343,809	2,684,898
Transfers			
Transfer - Indigenous Government Support	-	386,129	-
Current surplus	\$ -	\$ 9,729,938	\$ 2,684,898

The accompanying notes are an integral part of the financial statements

Schedule #2
Fond du Lac Denesuline First Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue			
Indigenous Services Canada - fixed	\$ -	\$ 96,420	\$ 112,477
Prince Albert Grand Council (PAGC)	-	68,500	68,500
	-	164,920	180,977
Expenses			
Program expenses	-	96,420	112,477
Wages and benefits	-	71,335	63,292
	-	167,755	175,769
Current surplus (deficit)	\$ -	\$ (2,835)	\$ 5,208

The accompanying notes are an integral part of the financial statements

Schedule #3
Fond du Lac Denesuline First Nation
Education
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue			
Indigenous Services Canada - fixed	\$ -	\$ 1,044,712	\$ 1,075,870
Rental income	-	-	4,200
Other revenue	-	-	177,739
Deferred revenue - prior year	-	382,189	140,411
Deferred revenue - current period	-	(618,645)	(382,189)
	-	808,256	1,016,031
Expenses			
Administration - internal allocation	-	9,985	9,985
Bad debts (recovery of bad debt)	-	-	(2,195)
Bank charges and interest	-	6,078	8,082
COVID-19 related expenses	-	36,500	58,800
Childcare expense	-	1,625	-
Loss on disposal of assets	-	-	67,749
Post Secondary - administration	-	115,329	102,795
Post Secondary - student expenses	-	644,817	555,610
Program expenses	-	-	106,902
Repairs and maintenance	-	-	3,419
Student expenses	-	-	1,943
Supplies	-	-	237
Training	-	-	90
Travel, meetings, per diems	-	-	3,929
Wages and benefits	-	-	49,242
	-	814,334	966,588
Current surplus (deficit)	\$ -	\$ (6,078)	\$ 49,443

The accompanying notes are an integral part of the financial statements

Schedule #4
Fond du Lac Denesuline First Nation
Indigenous Government Support
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue			
Indigenous Services Canada - grant	\$ -	\$ 937,801	\$ 771,891
Indigenous Services Canada - fixed	-	454,269	-
Indigenous Services Canada - flexible	-	1,074,548	2,066,821
Athabasca Health Authority (AHA)	-	284,262	604,007
Other revenue	-	-	1,355
Deferred revenue - prior year	-	366,007	21,044
Deferred revenue - current period	-	(226,458)	(366,007)
	-	2,890,429	3,099,111
Expenses			
Administration	-	1,250	4,665
Administration - internal allocation	-	260,875	389,538
Assistance - band members	-	-	1,468
Bank charges and interest	-	18,775	11,965
COVID-19 related expenses	-	1,071,122	1,769,152
Freight	-	1,471	1,517
Insurance	-	308	-
Professional fees	-	119,864	70,535
Rent - office	-	83,223	67,195
Student expenses	-	-	19,343
Supplies	-	27,583	14,370
Telephone	-	25,699	18,679
Training	-	43,581	-
Travel, meetings, per diems	-	186,535	10,496
Vehicle and fuel	-	-	31,891
Vehicle rental	-	2,440	-
Wages and benefits	-	655,496	690,849
	-	2,498,222	3,101,663
Current surplus (deficit) before transfers	-	392,207	(2,552)
Transfers			
Transfers - Community Infrastructure	-	(386,129)	-
Current surplus (deficit)	\$ -	\$ 6,078	\$ (2,552)

The accompanying notes are an integral part of the financial statements

Schedule #5
Fond du Lac Denesuline First Nation
Land Management
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)		2022 Actual		2021 Actual
Revenue					
Indigenous Services Canada - fixed	\$ -		\$ 19,671		\$ -
Expenses					
Consultants and contractors	-		19,671		-
Current surplus	\$ -		\$ -		\$ -

The accompanying notes are an integral part of the financial statements

Schedule #6
Fond du Lac Denesuline First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue			
Indigenous Services Canada - fixed	\$ -	\$ 197,778	\$ 197,405
Indigenous Services Canada - set	-	1,182,647	1,041,888
Indigenous Services Canada - flexible	56,771	2,354,722	2,412,915
ISC - prior period revenue (recovery)	-	-	48,834
Other revenue	-	296	813
Deferred revenue - prior year	-	649,765	280,341
Deferred revenue - current period	-	(950,509)	(649,765)
	56,771	3,434,699	3,332,431
Expenses			
Administration	-	14,750	-
Assistance - basic needs	-	1,894,451	1,599,462
Assistance - general	-	1,106,623	1,004,684
Assistance - special needs	-	102,000	323,542
Bank charges and interest	-	13,152	22,854
Freight	-	-	125
Miscellaneous expense	-	861	-
Supplies	-	21,595	9,421
Training	-	78,711	119,442
Travel, meetings, per diems	5,000	2,848	2,634
Vehicle and fuel	-	-	4,100
Wages and benefits	51,771	199,708	216,941
	56,771	3,434,699	3,303,205
Current surplus	\$ -	\$ -	\$ 29,226

The accompanying notes are an integral part of the financial statements

Schedule #7
Fond du Lac Denesuline First Nation
Registration and Membership
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue			
Indigenous Services Canada - fixed	\$ -	\$ 16,131	\$ 16,131
Expenses			
Training	-	3,434	-
Supplies	-	-	54
Wages and benefits	-	12,697	17,087
	-	16,131	17,141
Current deficit	\$ -	\$ -	\$ (1,010)

The accompanying notes are an integral part of the financial statements

Schedule #8
Fond du Lac Denesuline First Nation
Governance and Institutions of Governance
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue			
Indigenous Services Canada - flexible	\$ -	\$ 40,650	\$ 21,745
Deferred revenue - prior year	-	82,162	75,618
Deferred revenue - current period	-	(106,566)	(82,162)
	-	16,246	15,201
Expenses			
Consultants and contractors	-	16,246	-
Training	-	-	15,201
	-	16,246	15,201
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #9
Fond du Lac Denesuline First Nation
Health Services
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue			
Indigenous Services Canada - flexible	\$ -	\$ 314,210	\$ 18,277
Athabasca Health Authority (AHA)	1,220,174	1,372,363	1,277,608
Prince Albert Grand Council (PAGC)	467,841	619,213	550,879
Other revenue	-	12,534	27,735
Deferred revenue - prior year	58,318	173,817	-
Deferred revenue - current period	-	(602,964)	(173,817)
	1,746,333	1,889,173	1,700,682
Expenses			
Administration	13,447	516	20,775
Administration - internal allocation	-	47,131	-
Bad debt - employee advance	-	9,150	-
Bank charges and interest	1,800	12,711	605
Community events	29,250	96,490	109,030
Consultants and contractors	-	11,545	-
Equipment rental	1,200	-	-
Freight	-	3,554	877
Insurance	20,722	7,790	3,593
Miscellaneous expense	-	44,061	53,016
Outdoor play space enhancement	8,400	-	-
Play materials and equipment	14,400	5,795	9,476
Professional fees	15,439	25,000	20,889
Program expenses	217,844	251,087	275,200
Repairs and maintenance	4,351	22,005	1,788
Supplies	72,262	78,223	71,346
Telephone	12,000	24,390	20,972
Traditional healer	3,822	-	-
Training	48,000	14,608	100
Travel, meetings, per diems	79,840	75,158	18,464
Utilities	30,000	34,806	24,915
Wages and benefits	1,062,727	1,084,428	940,562
Youth conference	17,525	-	150
Transfer to capital assets	-	-	(1,311)
	1,653,029	1,848,448	1,570,447
Current surplus	\$ 93,304	\$ 40,725	\$ 130,235

The accompanying notes are an integral part of the financial statements

Schedule #10
Fond du Lac Denesuline First Nation
CMHC Housing
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue			
Canada Mortgage and Housing Corporation (CMHC)	\$ -	\$ 530,697	\$ 131,093
Rental income	-	-	10,725
Interest revenue	-	16	20
Other revenue	-	-	1,721
	-	530,713	143,559
Expenses			
Administration	-	6,000	-
Assistance - band members	-	1,750	-
Bank charges and interest	-	168	280
Equipment rental	-	21,585	3,710
Freight	-	1,427	6,181
Insurance	-	11,846	11,846
Mortgage - principle and interest payments	-	122,657	122,676
Mortgage - principle repayment	-	(103,705)	(102,043)
Professional fees	-	-	6,000
Supplies	-	17,243	24,957
Telephone	-	1,236	1,315
Training	-	3,434	-
Travel, meetings, per diems	-	-	300
Vehicle and fuel	-	296	835
Wages and benefits	-	52,339	50,504
	-	136,276	126,561
Current surplus	\$ -	\$ 394,437	\$ 16,998

The accompanying notes are an integral part of the financial statements

Schedule #11
Fond du Lac Denesuline First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue			
Trust funds held by federal government	\$ -	\$ 6,435	\$ 9,937
First Nations Trust (FNT)	-	408,914	459,730
Prince Albert Grand Council (PAGC)	-	45,495	-
PA First Nation Development Corporation	-	50,000	50,000
Impact Benefit Agreement (IBA)	-	141,173	62,254
Equity pickup in government business enterprises	-	2,774,308	(191,676)
Northern Lights Community Development Corporation	-	30,000	29,909
Federation of Sovereign Indigenous Nations (FSIN)	-	-	22,500
Canada Mortgage and Housing Corporation (CMHC)	-	8,513	-
Rental income	-	25,875	30,876
Other revenue	-	232,547	210,477
	-	3,723,260	684,007
Expenses			
Administration	-	20,750	6,000
Administration - internal allocation	-	(537,519)	(556,154)
Advertising, promotions, sponsorships	-	-	348
Assistance - band members	-	459,025	402,079
Bad debts (recovery of bad debt)	-	4,306	-
Bank charges and interest	-	53	(16)
COVID-19 related expenses	-	-	3,600
Christmas and New Years supper	-	-	2,027
Community events	-	47,148	25,494
Consultants and contractors	-	-	41,700
Cultural programs	-	300,759	123,729
Donations	-	-	7,000
Election expenses	-	88,145	61,322
Equipment purchases	-	36,290	10,616
Equipment rental	-	1,400	30,232
Freight	-	854	839
Hunting trail clearing	-	2,996	-
IBA program expenses	-	108,831	113,203
Miscellaneous expense	-	8,080	21,825
Northern Lights projects	-	22,432	30,982
Professional fees	-	-	3,860
Program expenses	-	46,301	76,434
Student expenses	-	43,711	29,299
Supplies	-	-	18,856
Training	-	3,434	-
Travel, meetings, per diems	-	60,477	85,440
Utilities	-	-	35,083
Vehicle and fuel	-	518	3,243

The accompanying notes are an integral part of the financial statements

Schedule #11, continued
Fond du Lac Denesuline First Nation
Other Band Programs
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Wages and benefits	-	9,203	-
Youth Bike-a-thon	-	2,000	-
Youth winter survival	-	-	3,902
	-	729,194	580,943
Current surplus	\$ -	\$ 2,994,066	\$ 103,064

The accompanying notes are an integral part of the financial statements

Schedule #12
Fond du Lac Denesuline First Nation
Amortization
Schedule of Operations
For the year ended March 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Community Infrastructure	-	2,230,111	2,263,542
Education	-	413,533	414,120
Health Services	-	15,895	18,081
CMHC Housing	-	133,429	133,429
	-	2,792,968	2,829,172
Current deficit	\$ -	\$ (2,792,968)	\$ (2,829,172)

The accompanying notes are an integral part of the financial statements