

Sturgeon Lake First Nation

Consolidated Financial Statements

March 31, 2022

Sturgeon Lake First Nation

Management's Responsibility for Financial Reporting

March 31, 2022

The financial statements have been prepared by management in accordance with the Canadian Public Sector Accounting Standards (PSAS) and the reporting requirements of the funding agreement with Indigenous Services Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the presentation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and review the financial statements and the external auditors' report.

McClelland Debusschere CPA PC Inc., an independent firm of Chartered Professional Accountants, has been engaged by Chief and Council to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements follows.

Signature on file

June 8, 2023

Sturgeon Lake First Nation

Date



McClelland Debusschere

Chartered Professional Accountants

Assurance Tax Advisory

Independent Auditor's Report

To the Members of
Sturgeon Lake First Nation

Opinion

We have audited the consolidated financial statements of Sturgeon Lake First Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, changes in net assets (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 financial position of Sturgeon Lake First Nation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with 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 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 opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with 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 these 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 a 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 to do so.

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

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

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



McClelland Debusschere

Chartered Professional Accountants
Assurance Tax Advisory

Independent Auditor's Report

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 within the first nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*McClelland Debusschere
CPA PC INC*

Saskatoon, SK
June 8, 2023

Chartered Professional Accountants

Sturgeon Lake First Nation

Consolidated Statement of Financial Position

March 31, 2022

	2022	2021
Financial Assets		
Cash	\$ 9,701,480	\$ 7,379,937
Restricted assets (Note 2)	6,939,585	6,034,199
Trust funds held by Federal Government (Note 3)	172,919	71,807
Portfolio investments (Note 4)	3,556,551	1,450,341
Accounts receivable (Note 5)	2,761,014	1,260,757
Inventory held for resale (Note 6)	306,776	379,093
Agricultural inventories (Note 7)	9,081	13,893
Limited Partnership Interests (Note 8)	3,255,296	2,322,943
Investments in Government Business Enterprises (Note 9)	491	410
	26,703,193	18,913,380
Financial Liabilities		
Accounts payable (Note 10)	1,949,343	1,632,857
Due to related parties (Note 11)	130,986	251,100
Unexpended revenue (Note 12)	9,858,301	6,513,355
Long term debt (Note 13)	5,092,777	5,410,556
	17,031,407	13,807,868
Net Financial Assets	9,671,786	5,105,512
Non-financial assets		
Prepaid expenses	-	29,686
Productive Biological Assets (Note 14)	153,000	268,950
Tangible capital assets (Note 15)	43,528,267	42,695,200
Total non-financial assets	43,681,267	42,993,836
Accumulated Surplus (Note 16)	\$ 53,353,053	\$ 48,099,348

Approved on behalf of the Sturgeon Lake First Nation:

Signature on file _____, Chief

Signature on file _____, Councilor Signature on file _____, Councilor

Signature on file _____, Councilor Signature on file _____, Councilor

Signature on file _____, Councilor Signature on file _____, Councilor

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

Sturgeon Lake First Nation

Consolidated Statement of Operations

For the Year Ended March 31, 2022

	2022 Budget	2022	2021
Revenue			
Grants and Contributions			
Indigenous Service Canada Revenue (Note 17)	\$ 10,354,761	\$ 31,280,753	\$ 28,142,877
Prince Albert Grand Council	209,600	761,764	772,813
First Nations Trust	-	492,955	654,888
CMHC Subsidy	-	467,346	470,658
Ottawa Trust (Note 3.)	-	423,571	405,778
SIIT	-	404,474	248,890
TLE Revenue Account	-	388,715	425,072
Northern Lights Community Development	-	35,116	70,572
Store Sales	-	7,288,563	7,400,142
Other Revenue	1,764,743	3,967,953	2,440,903
Limited Partnership Earnings (Note 8)	-	932,353	290,730
Rental Income	-	491,556	531,627
Earnings in GBE (Note 9)	-	81	22
Recognition (deferral) of Unexpended Funding (Note 12)	-	(3,344,946)	(2,156,158)
	12,329,104	43,590,254	39,698,814
Expenses			
Education (schedule 1)	7,664,625	9,970,930	8,824,005
Health (schedule 2)	5,230,749	7,655,945	5,926,487
Economic Development (schedule 3)	-	103,764	73,512
Housing (schedule 4)	-	559,527	591,592
Social Services (schedule 5)	-	3,494,071	3,994,689
Band Government (schedule 6)	-	1,796,340	1,740,686
Community Services (schedule 7)	-	1,866,692	1,470,612
Capital (schedule 8)	-	697,799	767,317
Other Programs (schedule 9)	-	10,618,841	10,334,758
Amortization (schedule 10)	-	1,572,640	1,725,979
	12,895,374	38,336,549	35,449,637
Current surplus	(566,270)	5,253,705	4,249,177
Accumulated surplus - Beginning of the year	48,099,348	48,099,348	43,850,171
Accumulated surplus - End of the year (Note 16)	\$ 47,533,078	\$ 53,353,053	\$ 48,099,348
Expense by object disclosure (Note 18)			

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

Sturgeon Lake First Nation

Consolidated Statement of Changes in Net Financial Assets For the Year Ended March 31, 2022

	2022 Budget	2022	2021
Current surplus	\$ 5,253,705	\$ 5,253,705	\$ 4,249,177
Disposal of productive biological assets	-	89,500	39,500
Amortization of tangible capital assets	-	1,509,690	1,638,979
Amortization of productive biological assets	-	62,950	87,000
Reduction of accumulated amortization	-	(36,500)	(3,950)
Decrease (Increase) in prepaid expenses	-	29,686	(21,268)
Disposal of tangible capital assets	-	7,863,283	2,000
Acquisition of tangible capital assets	-	(10,206,040)	(3,020,864)
Change in net financial assets during the year	5,253,705	4,566,273	2,970,574
Net financial assets - Beginning of year	-	5,105,512	2,134,938
Net financial assets - End of year	\$ 5,253,705	\$ 9,671,786	\$ 5,105,512

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

Sturgeon Lake First Nation

Consolidated Statement of Cash Flows For the Year Ended March 31, 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Current surplus	\$ 5,253,705	4,249,177
Non-cash items:		
Amortization	1,572,640	1,725,979
Loss on disposal of assets	191,315	35,050
Change in working capital items:		
Accounts receivable	(1,500,257)	(458,317)
Due to related parties	(120,114)	251,100
Trust funds held by Federal Gov't	(101,112)	24,625
Unexpended revenue	3,344,946	2,143,580
Accounts payable	316,486	826,793
Inventory held for resale	72,317	(67,967)
Prepaid expenses	29,686	(21,268)
Agricultural inventories	4,812	4,107
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	\$ 9,064,424	8,712,859
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in restricted assets	\$ (905,386)	\$ (264,073)
Earnings from GBE	(81)	(22)
Earnings from LP interests	(932,353)	(290,730)
Disposal (purchase) of portfolio investments	(2,106,210)	399,701
Purchase of partnership units - SLFN Developments LP	-	(1,000)
NET CASH USED BY INVESTING ACTIVITIES	\$ (3,944,030)	\$ (156,124)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long term debt	\$ 196,027	-
Repayment of long term debt	(513,806)	(434,444)
NET CASH USED BY FINANCING ACTIVITIES	\$ (317,779)	\$ (434,444)
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Tangible capital assets addition	\$ (10,206,040)	\$ (3,020,864)
Proceeds from disposal of capital assets	-	2,500
Assets under construction transfer	7,724,968	-
NET CASH USED BY CAPITAL ACTIVITIES	\$ (2,481,072)	\$ (3,018,364)
Net cash increase (decreases)	\$ 2,321,543	\$ 5,103,927
Cash at beginning of period	7,379,937	2,276,010
Cash at end of period	\$ 9,701,480	\$ 7,379,937

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

Sturgeon Lake First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies

Sturgeon Lake First Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include Sturgeon Lake First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

The reporting entity Sturgeon Lake First Nation is governed by elected officials from the Sturgeon Lake First Nation.

a. Basis of Accounting

These financial statements have been prepared in accordance with CPA Canada Public Sector Accounting Standards prescribed for governments.

b. Reporting entity

The Sturgeon Lake First Nation reporting entity includes the Sturgeon Lake First Nation government and all related entities, which are accountable to the First Nation and are either owned or controlled by the First Nation.

c. Principles of consolidation

These financial statements consolidate the assets, liabilities, and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

Sturgeon Lake First Nation - Operations
Sturgeon Lake First Nation - CMHC Housing Fund
Sturgeon Lake First Nation - Store Enterprise
Sturgeon Lake First Nation - Treaty Land Entitlement Revenue Account

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Under the modified equity method of accounting, only Sturgeon Lake First Nation's investment in the government business enterprise or government business partnership 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 Sturgeon Lake First Nation. Entities recorded under the modified equity method include:

Sturgeon Lake First Nation Developments Limited Partnership
Sturgeon Lake Property Limited Partnership
Sturgeon Lake Developments Ltd.
Sturgeon Lake TLE Land Holding Corp.
Sturgeon Lake Property Ltd.

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 tangible capital assets and prepaid expenses.

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

Sturgeon Lake First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

e. Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial assets is determined by its financial assets less liabilities. Net debt or net financial assets is comprised of two components, non-financial assets and accumulated surplus.

f. Cash

Cash includes cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of 90 days or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Any cash that is legally restricted from use is recorded in restricted assets. Cash and deposits are considered restricted when they are subject to contingent rights of third parties.

g. Inventory held for resale

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

h. Agricultural inventories

The First Nation's agricultural inventories of calves are measured using the net realizable value model.

i. Liability for contaminated sites

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.

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's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

It has been assessed by management that as at March 31, 2022 the liability is \$45,000 (2021: \$40,000).

j. Tangible capital assets

Tangible 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.

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

j. Tangible capital assets continued

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Sturgeon Lake First Nation's incremental cost of borrowing.

Amortization is provided for over the estimated useful lives of the assets. No amortization is recorded in the year of acquisition.

Roads	25 years Straight line
Buildings	40 years Straight line
Housing	40 years Straight line
Infrastructure	40 years Straight line
Equipment	10 years Straight line
Vehicles and machinery	5 years Straight line
Computers	3 years Straight-line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Sturgeon Lake First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible 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 revenue 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 tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

k. Productive biological assets

Productive biological assets are carried at cost. Amortization is calculated using the straight-line method over estimated useful lives. Half of the regular amount of amortization is recorded in the year of acquisition.

Estimated useful lives are as follows:

Bulls	5 years
Cows	5 years

I. Use of estimate

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

Sturgeon Lake First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

I. Use of estimate continued

Accounts receivable and member advances are assessed for collectability annually and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements.

m. Segments

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.

n. Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees".

o. 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 not practicable.

Government transfers, which includes transfers from Indigenous Services Canada, Prince Albert Grand Council, First Nations Trust, Canada Mortgage and Housing Corporation, TLE revenue, the revenue trust, Saskatchewan Indian Institute of Technologies, and Northern Lights Community Development Corporation 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 a specific purpose.

Other revenues, which include administration fees, expense recoveries, sales tax refunds, interest, rent, and sales at the Sturgeon Lake Store are recognized when they are earned.

Earnings from government business enterprises and limited partnerships are recorded based on the modified equity method, based on the ownership percentage held and reported income of the other entities.

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

1. Significant Accounting Policies continued

o. Revenue recognition continued

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed. Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

p. Recognition of expenses

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

q. Investment

Portfolio investments are recorded using the cost method. Any impairment in the investments which is other than temporary is charged against the amount the investment is reported at.

r. Pension plan

Sturgeon Lake First Nation provides a defined contribution pension plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid by the employee.

s. 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 statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

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

t. Other economic interests

The First Nation is a member of the Prince Albert Grand Council (PAGC). The Prince Albert Grand Council is an organization of twelve nations.

The First Nation does not either share in the control or the profit or loss of Prince Albert Grand Council. As a result, the financial statements of the PAGC have not been consolidated or proportionately consolidated with the financial statements of Sturgeon Lake First Nation.

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

Sturgeon Lake First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

2. Restricted assets

The First Nation has received federal assistance through the CMHC, pursuant to Section 95 of the National Housing Act, to reduce mortgage interest and enable the First Nation to provide housing to members. The continuation of this interest rate reduction is contingent on the First Nation being in compliance with the terms of the agreement, which requires that a monthly amount be set aside to provide for major renovations to First Nation housing in future years.

The First Nation has established a replacement reserve to ensure replacement of buildings financed by the CMHC, as well as a reserve related to surpluses generated in the post-1997 program, which are to be set aside and used to meet future subsidy requirements of income tested occupants over and above the maximum federal assistance.

The CMHC reserve funds must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by the CMHC. Reserve withdrawals are credited first to interest and then to principal.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Heritage Trust consists of cash and guaranteed investment certificates held and restricted for the Heritage Trust.

Moveable assets reserve consists of cash and guaranteed investment certificates held and restricted for the health facility building.

Restricted assets are comprised of the following:

	2022	2021
Funds held for capital projects	\$ 3,491,966	\$ 2,624,403
Heritage trust	1,682,428	1,663,338
CMHC - funded reserves	1,668,179	1,661,295
Movable assets reserve	97,012	85,163
	<hr/> \$ 6,939,585	<hr/> \$ 6,034,199

3. Trust funds held by federal government

	2022	2021		
	Revenue	Capital	Total	Total
Surplus, beginning of year	\$ 71,801	\$ 6	\$ 71,807	\$ 96,432
Lease revenue	421,625	-	421,625	402,086
Interest income	1,946	-	1,946	3,693
Disbursements	(322,459)	-	(322,459)	(430,404)
	<hr/> \$ 172,913	<hr/> \$ 6	<hr/> \$ 172,919	<hr/> \$ 71,807

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

Sturgeon Lake First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

3. Trust funds held by federal government continued

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

4. Portfolio investments

The First Nation holds the following Investments:

Description	2022 Units	2021 Units	2022 Cost	2022 Market Value	2021 Cost	2021 Market Value
Description Title						
Canadian Imperial Bank of Commerce	\$ 2,100	\$ 1,500	\$ 242,914	\$ 318,675	\$ 149,090	\$ 184,575
Bank of Montreal	2,100	1,500	202,565	308,931	116,757	168,030
Toronto-Dominion Bank	3,100	2,300	204,713	307,489	124,546	188,508
Royal Bank of Canada	2,100	1,500	198,722	289,044	113,642	173,805
Bank of Nova Scotia	2,300	1,200	173,366	206,080	75,397	94,344
Walton Income 5 Bond	230,221	252,397	230,221	122,017	252,397	133,770
Walton Income 12 Bond	94,637	99,034	94,637	26,498	99,034	27,729
Fieldstone Capital	50,080	50,080	50,080	501	50,080	1,002
Subtotal						
Cash in trading account	-	-	-	13,581	-	16,326
Guaranteed investment certificate	-	-	-	1,963,735	-	462,252
Total	\$ 386,638	\$ 409,511	\$ 1,397,218	\$ 3,556,551	\$ 980,943	\$ 1,450,341

WIGI Restructured Bond Corporation (WIGI RBC) was formed April 2, 2018, upon implementation of the Joint Agreement approved by the creditors of the corporation. No interest payments have been received on any of the Walton bonds since April 27, 2017. WIGI RBC has a monetization goal to monetize all of its assets in 3 to 5 years (commencing January 1, 2020) in order to repay its outstanding bond but management is not aware of how much they can expect to receive at this point in time.

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

5. Accounts Receivable

	2022	2021
Trade receivables		
Trade accounts receivable	\$ 1,740,780	\$ 925,182
Receivable from employees	5,149	35,860
Sales tax receivable	746	528
	1,746,675	961,570
Allowance for doubtful accounts	(13,180)	(13,180)
	1,733,495	948,390
Due from government and other government organizations		
Indigenous Services Canada	965,221	182,340
CMHC Subsidy	39,435	39,110
Prince Albert Grand Council	20,034	88,771
GST Receivable	2,829	2,146
	1,027,519	312,367
	\$ 2,761,014	\$ 1,260,757

6. Inventory held for resale

Inventory held for resale consists of the following:

	2022	2021
Confectionery	\$ 113,559	\$ 95,829
Fuel	81,735	65,443
Tobacco	70,692	173,088
Other inventory	40,790	44,733
	\$ 306,776	\$ 379,093

7. Agricultural inventories

As at March 31, 2022, the First Nation held 8 calves (2021: 14). The First Nation's agricultural inventories consist of the following:

	2022	2021
Calves	\$ 9,081	\$ 13,893

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

8. Limited partnership interests

The First Nation has a 99.99% interest Sturgeon Lake Property Limited Partnership and a 99.99% interest in Sturgeon Lake First Nation Developments Limited Partnership. Summarized financial information for the limited partnership interests is as follows:

	Sturgeon Lake First Nation Developments LP	Sturgeon Lake Property LP	2022	Sturgeon Lake First Nation Developments LP	Sturgeon Lake Property LP	2021
Cash	\$ 545,440	\$ -	\$ 545,440	\$ 236,971	\$ -	\$ 236,971
Other Assets	6,442,740	31,001	6,473,741	3,000,797	1,001	3,001,798
	6,988,180	31,001	7,019,181	3,237,768	1,001	3,238,769
Liabilities	3,759,594	4,000	3,763,594	915,593	-	915,593
Equity	3,228,586	27,001	3,255,587	2,322,175	1,001	2,323,176
	6,988,180	31,001	7,019,181	3,237,768	1,001	3,238,769
Revenue	2,093,328	30,000	2,123,328	1,179,534	-	1,179,534
Expenses	1,186,884	4,000	1,190,884	888,775	-	888,775
Net income	\$ 906,444	\$ 26,000	\$ 932,444	\$ 290,759	\$ -	\$ 290,759

The First Nation's limited partnership interests consist of the following:

	Sturgeon Lake First Nation Developments LP	Sturgeon Lake Property LP	2022	Sturgeon Lake First Nation Developments LP	Sturgeon Lake Property LP	2021
Balance, beginning of the year	\$ 2,321,943	\$ 1,000	\$ 2,322,943	\$ 2,031,213	\$ -	\$ 2,031,213
Share of earnings	906,353	26,000	932,353	290,730	-	290,730
Purchase of partnership units	-	-	-	-	1,000	1,000
	\$ 3,228,296	\$ 27,000	\$ 3,255,296	\$ 2,321,943	\$ 1,000	\$ 2,322,943

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

9. Investments in government business enterprises

Government business enterprises are those organizations that meet the definition of government business enterprises as described by Public Sector Accounting Standards of CPA Canada. 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 revenue received from outside the First Nation government. The First Nation owns a 100% interest in Sturgeon Lake Developments Ltd. and Sturgeon Lake TLE Land Holding Corp. Summarized financial information for the investments in government business enterprises is as follows:

	Sturgeon Lake Developments Ltd.	Sturgeon Lake TLE Land Holding Corp.	Sturgeon Lake Property Ltd.	2022	Sturgeon Lake Developments Ltd.	Sturgeon Lake TLE Land Holding Corp.	Sturgeon Lake Property Ltd.	2021
Assets	\$ 307	\$ 100	\$ 101	\$ -	\$ 217	\$ 100	\$ 100	\$ 623
Liabilities	16	-	1	-	7	-	-	7
Equity	291	100	100	-	210	100	100	616
	307	100	101	-	217	100	100	623
Revenue	90	-	-	-	29	-	-	74
Expenses	9	-	-	-	7	-	-	7
Net income	\$ 81	\$ -	\$ -	\$ -	\$ 22	\$ -	\$ -	\$ 67

The First Nation's government business enterprises consist of the following:

	Sturgeon Lake Developments Ltd.	Sturgeon Lake TLE Land Holding Corp.	Sturgeon Lake Property Ltd.	2022	Sturgeon Lake Developments Ltd.	Sturgeon Lake TLE Land Holding Corp.	Sturgeon Lake Property Ltd.	2021
Balance, beginning of the year	\$ 210	\$ 100	\$ 100	\$ 410	\$ 188	\$ 100	\$ -	\$ 288
Share of earnings	81	-	-	81	22	-	-	22
Purchase of shares	-	-	-	-	-	-	100	100
	\$ 291	\$ 100	\$ 100	\$ 491	\$ 210	\$ 100	\$ 100	\$ 410

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

10. Accounts payable

	2022	2021
Trade accounts payable	\$ 1,270,409	\$ 1,185,858
Other payables	678,934	210,791
Capital project holdbacks	-	236,208
	\$ 1,949,343	\$ 1,632,857

11. Due to related parties

Sturgeon Lake First Nation has received advances from its related entities that are unsecured, non-interest bearing, and are not subject to a fixed repayment schedule. These transactions are in the normal course of business for fair consideration that is mutually agreed upon by the related parties. Advances due to related parties consist of the following:

	2022	2021
Due to Sturgeon Lake First Nation Developments LP	\$ 250,000	\$ 250,000
Due to Sturgeon Lake Property LP	1,000	1,000
Due to Sturgeon Lake Property Ltd.	100	100
Due from Sturgeon Lake Store	(120,114)	-
	\$ 130,986	\$ 251,100

12. Unexpended revenue

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 "Unexpended funds" on the financial statements.

	Balance, beginning of the year	Contributions received	Amount recognized	2022
ISC Capital funding				
School Roof & Water Damage Assessment	\$ 283,515	\$ 2,249,495	\$ (779,367)	\$ 1,753,643
Local Roads & Bridges	800,000	700,000	-	1,500,000
West Subdivision	828,720	-	(66,098)	762,622
Construction (Immediate needs)	-	845,754	(219,456)	626,298
East Lagoon	179,499	250,000	(23,069)	406,430
West Lagoon - A&C Wastewater	595,633	-	(277,511)	318,122
Water Treatment Plant	251,333	-	(184)	251,149

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

12. Unexpended revenue continued

	Balance, beginning of the year	Contributions received	Amount recognized	2022
Lot Servicing	247,460	-	-	247,460
Capital Investments (Midwifery Project)	447,077	190,000	(498,890)	138,187
Roads & Bridges	-	66,794	(20,598)	46,196
School Mechanical System	249,495	-	(249,495)	-
	3,882,732	4,302,043	(2,134,668)	6,050,107
ISC Non-Capital Funding				
Waste water	298,050	391,712	(260,586)	429,176
COVID ICSF4 EMAP	-	805,908	(405,180)	400,728
Midwifery Demonstration Project	209,771	1,048,464	(877,140)	381,095
COVID ICSF2 EMAP - Food Security	328,338	-	-	328,338
ICSF3 - Food Security	321,619	-	-	321,619
Post Secondary Student Support	195,206	1,433,459	(1,308,082)	320,583
COVID Response	348,455	-	(52,013)	296,442
Water Systems	181,897	485,888	(394,397)	273,388
Mental Health Care	104,830	327,975	(205,543)	227,262
Service Delivery	74,043	297,820	(158,613)	213,250
COVID ICSF Food Security	-	156,800	(15,680)	141,120
COVID LEDSP	133,959	126,314	(161,402)	98,871
Capacity Building Education & Training	-	67,446	-	67,446
RLEMP Non-core	43,212	104,032	(85,153)	62,091
Traditional Healer	18,818	292,725	(262,374)	49,169
Aboriginal Diabetes Initiatives	-	69,725	(44,854)	24,871
COVID ICSF Need Base	-	20,000	(2,000)	18,000
Electrical Systems	4,622	20,551	(9,871)	15,302
Other Protection	9,943	8,819	(3,887)	14,875
Recreation Programs - Winter Games	99,001	-	(99,001)	-
Social Assistance Employment & Training	76,307	-	(76,307)	-
Plan/Risk Mgmt Gov. CAP Dev. - Navigator	14,494	-	(14,494)	-
	2,462,565	5,657,638	(4,436,577)	3,683,626
Other Funding				
IELCC	-	180,415	(55,847)	124,568
Health - Admin/Access	109,784	-	(109,784)	-
Head Start IELCC	58,274	-	(58,274)	-
	168,058	180,415	(223,905)	124,568
	\$ 6,513,355	\$ 10,140,096	\$ (6,795,150)	\$ 9,858,301

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

Sturgeon Lake First Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

13. Long-term debt

The First Nation has the following long-term debt outstanding, and mortgages outstanding with Canada Mortgage and Housing Corporation (CMHC). The CMHC mortgages are secured by ministerial loan guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from CMHC to assist with the payment of principal and interest of the mortgages.

	2022	2021
CIBC Loan bearing interest at 3.7% per annum, repayable in full on the loan maturity date on July 1, 2024.	\$ 196,027	\$ -
RCMP Mortgage loan bearing interest at 2.89% per annum, repayable in monthly blended payments of \$2,247. The loan matures on July 1, 2029.	178,135	199,650
CIBC loan bearing interest at 3.70% per annum, repayable in monthly blended payments of \$2,083. The loan matures on November 1, 2025.	91,667	116,667
CIBC loan bearing interest at 3.95% per annum, repayable in monthly blended payments of \$2,667. The loan matures on August 1, 2023.	45,333	77,333
CIBC loan repaid fully during the fiscal year.	-	19,500
	511,162	413,150

CMHC Mortgages

CMHC loan bearing interest at 0.75% per annum, repayable in monthly blended payments of \$2,856. The loan matures on December 1, 2024.	93,245	126,680
CMHC loan bearing interest at 1.57% per annum, repayable in monthly blended payments of \$1,621. The loan matures on January 1, 2027.	90,469	108,452
CMHC loan bearing interest at 2.21% per annum, repayable in monthly blended payments of \$1,646. The loan matures on December 1, 2028.	123,771	140,598
CMHC loan bearing interest at 0.69% per annum, repayable in monthly blended payments of \$2,132. The loan matures on April 1, 2025.	78,016	102,965
CMHC loan bearing interest at 1.12% per annum, repayable in monthly blended payments of \$8,179. The loan matures on April 1, 2031.	847,391	937,490
CMHC loan bearing interest at 2.48% per annum, repayable in monthly blended payments of \$6,010. The loan matures on January 1, 2033.	684,969	739,455
CMHC loan bearing interest at 1.12% per annum, repayable in monthly blended payments of \$2,443. The loan matures on July 1, 2035.	362,938	388,844
CMHC loan bearing interest at 1.12% per annum, repayable in monthly blended payments of \$3,930. The loan matures on October 1, 2035.	593,999	635,580
CMHC loan bearing interest at 1.22% per annum, repayable in monthly blended payments of \$2,459. The loan matures on October 1, 2035.	369,337	394,431
CMHC loan bearing interest at 1.50% per annum, repayable in monthly blended payments \$6,069. The loan matures on June 1, 2036.	934,035	995,823
CMHC loan bearing interest at 1.57% per annum, repayable in monthly blended payments of \$2,006. The loan matures on December 1, 2036.	316,870	336,126
CMHC loan bearing interest at 2.48% per annum, repayable in monthly blended payments of \$549. The loan matures on February 1, 2038.	86,575	90,962
	4,581,615	4,997,406
	\$5,092,777	\$5,410,556

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

13. Long-term debt continued

Assuming renewal on comparable terms, principal payments required on long term debt for the next five years and thereafter are as follows:

	CIBC Loan	CMHC Mortgages	Total
2023	\$ 157,534	\$ 413,214	\$ 570,748
2024	139,490	419,078	558,568
2025	87,630	416,468	504,098
2026	40,777	373,128	413,905
2027	24,817	373,483	398,300
Subsequent	60,914	2,586,244	2,647,158
	\$ 511,162	\$ 4,581,615	\$ 5,092,777

14. Productive Biological Assets

The First Nation's productive biological assets consist of the following:

	Quantity of Animals	Cost	Accumulated Amortization	Net Book Value	2022	2021
Cows	\$ 11	\$ 267,500	\$ 133,750	\$ 133,750	\$ 250,750	
Bulls	107	38,500	19,250	19,250		18,200
	\$ 118	\$ -	\$ 153,000	\$ 153,000	\$ 268,950	

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

15. Tangible Capital Assets

March 31, 2022	Land	CMHC Houses	First Nation Houses	Buildings	Infrastructure & Roads	Equipment	Vehicles	Assets under construction	Total
Cost									
Balance, beginning of year	\$ 6,173,370	\$ 10,783,797	\$ 5,507,944	\$ 28,412,850	\$ 3,048,416	\$ 4,491,886	\$ 3,341,071	\$ 11,411,953	\$ 73,171,287
Additions	-	-	-	1,313,146	-	6,957,373	112,532	1,822,989	10,206,040
Disposals	-	-	-	-	-	-	-	(7,863,283)	(7,863,283)
Balance, end of year	6,173,370	10,783,797	5,507,944	29,725,996	3,048,416	11,449,259	3,453,603	5,371,659	75,514,044
Accumulated amortization									
Balance, beginning of year	-	5,332,052	5,507,944	12,000,458	1,128,737	3,751,087	2,755,809	-	30,476,087
Amortization	-	431,352	-	680,404	78,335	119,895	199,704	-	1,509,690
Balance, end of year	-	5,763,404	5,507,944	12,680,862	1,207,072	3,870,982	2,955,513	-	31,985,777
Net Book Value, end of Year	6,173,370	5,020,393	-	17,045,134	1,841,344	7,578,277	498,090	5,371,659	43,528,267
March 31, 2021									
Cost									
Balance, beginning of year	5,991,007	10,783,797	5,507,944	28,412,850	3,048,416	4,308,903	3,283,840	8,815,666	70,152,423
Additions	184,363	-	-	-	-	182,983	57,231	2,596,287	3,020,864
Disposals	(2,000)	-	-	-	-	-	-	-	(2,000)
Balance, end of year	6,173,370	10,783,797	5,507,944	28,412,850	3,048,416	4,491,886	3,341,071	11,411,953	73,171,287
Accumulated amortization									
Balance, beginning of year	-	4,900,700	5,507,944	11,257,554	1,050,402	3,608,112	2,512,396	-	28,837,108
Amortization	-	431,352	-	742,904	78,335	142,975	243,413	-	1,638,979
Balance, end of year	-	5,332,052	5,507,944	12,000,458	1,128,737	3,751,087	2,755,809	-	30,476,087
Net Book Value, end of year	\$ 6,173,370	\$ 5,451,745	\$ -	\$ 16,412,392	\$ 1,919,679	\$ 740,799	\$ 585,262	\$ 11,411,953	\$ 42,695,200

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

16. Accumulated surplus

	2022	2021
Operating funds	\$ 9,845,354	\$ 6,651,695
Equity in capital assets	38,435,490	37,284,645
Equity in investments	3,255,787	2,323,459
CMHC - replacement reserve	2,073,721	1,948,572
CMHC - operating reserve	(257,299)	(109,023)
	\$ 53,353,053	\$ 48,099,348

- The operating fund reports on the general activities of the First Nation's administration;
- Equity in capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services;
- Equity in investments reports on commercial business operations owned by the First Nation; and
- The CMHC reserves are replacement and operating reserves required to be funded for future housing replacements, as per agreements with CMHC.

17. Reconciliation of ISC revenue

ISC revenue consists of the following

	2022	2021
ISC - Flexible Contribution	\$13,609,836	\$13,172,608
ISC - Fixed Contribution	12,803,068	11,867,871
ISC - Block Contribution	2,999,923	2,325,318
ISC - Set Contribution	1,191,104	225,327
ISC - Grant	676,822	551,753
	\$31,280,753	\$28,142,877

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

18. Expenses by object

	2022	2022	2021
	Budget	Actual	Actual
Salaries and benefits	\$ 7,602,858	\$11,252,118	\$ 9,368,669
Cost of sales	-	5,792,754	5,725,179
Contracted services	247,372	3,470,338	3,827,997
Social Assistance	-	2,881,377	3,260,400
Supplies	708,440	2,185,939	2,676,001
Administrative Fees	1,207,474	2,122,215	1,867,556
Student Expenses	134,909	1,680,076	1,357,333
Amortization of tangible assets	-	1,572,640	1,725,979
Other operating expenses	210,387	1,432,521	1,023,047
Meetings & workshops	860,923	1,394,133	646,532
Repairs and maintenance	276,805	1,268,117	999,455
Professional fees	38,150	1,146,018	1,219,676
Utilities	261,754	985,697	814,925
Activities	234,487	960,405	566,069
Equipment Purchase	105,200	762,820	314,235
Assistance	40,000	646,211	1,759,036
Insurance	62,205	483,886	514,940
Travel expenses	-	231,308	188,529
Flow through to Child & Family Services	-	209,300	-
Funeral Assistance	-	200,360	197,989
Interest and bank charges	25,000	133,911	148,412
Bad debt expense	-	6,713	26,196
Transfer to capital assets	-	(2,482,308)	(2,778,518)
	\$12,015,964	\$38,336,549	\$35,449,637

19. CMHC housing restricted funds

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the First Nation established the following:

- The replacement reserve to ensure replacement of capital equipment and for major repairs to housing units, which requires an annual cash allocation of \$129,328 to the reserve. At March 31, 2022, the reserve is required to be funded to a level of \$ 2,073,721 (2021 - \$1,948,572). At March 31, 2022, the cash balance in the reserve is \$ 1,668,179 (2021 - \$1,661,295).
- An operating surplus reserve established for housing units under the Post 1997 Fixed Subsidy Program which requires surpluses to be funded with cash. Future operating losses are able to draw on the reserve funds to sustain operations. At March 31, 2022, the reserve was over-funded by \$268,735 (2021: \$128,651).

In accordance with terms of the agreement, CMHC reserve monies must be held or invested only in accounts or

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

19. CMHC housing restricted funds continued

instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

20. Contingent liabilities

Sturgeon Lake 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.

In addition, in the normal course of its operations, Sturgeon Lake 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 Sturgeon Lake First Nation's financial statements. None are required to be recorded at this time.

21. Trusts under administration

Sturgeon Lake First Nation has assets in trust as a result of a settlement claim with Canada. These assets are managed by a corporate trustee and are not included on the statement of financial position as assets of the First Nation. Amounts held in trust at year end are the following:

	December 31, 2021	December 31, 2020
Sturgeon Lake First Nation TLE Trust	\$ 5,737,657	\$ 6,629,794

22. Leases in financial statements of lessees

The First Nation leases several office equipment under various operating lease agreements. The total lease expenses for these leases totaled approximately \$46,150 for 2022 (2021 - \$52,052).

23. Economic dependence

Sturgeon Lake First Nation receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada.

24. ISC funding

The First Nation (Recipient) receives funding from Indigenous Services Canada (ISC) by entering into an agreement with ISC.

There are five approaches that ISC may consider in the design and delivery of transfer payment programs:

1. Grant approach – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

24. ISC funding continued

2. Set contribution approach – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to ISC annually.

3. Fixed contribution approach – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by ISC. A plan must be submitted and approved by ISC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by ISC.

4. Flexible contribution approach – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to ISC at the end of the project, program or agreement.

5. Block contribution approach – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by ISC.

25. Segmented information

As previously discussed in note 1 (m) the First Nation conducts its business through reportable segments as follows:

1 - Indigenous Services Canada (ISC)

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 labour 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.

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

25. Segmented information continued

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.

Social Services: 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.

Band Government: 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.

Community Services: Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, 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.

Capital: Costs to acquire, construct, operate and maintain capital community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection.

2 - Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3 - 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.

4 - 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.

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

26. Pension Plan

The Sturgeon Lake First Nation and eligible employees participate in a defined contribution pension plan.

The Sturgeon Lake First Nation financial obligation is limited to providing contributions at a specific rate in respect of employees' current service. Information regarding contributions to the above mentioned pension plans is as follows:

	2022	2021
Employee contribution rate (percentage of salary)	5.0%-9.0%	5.0%-9.0%
Employer contribution rate (percentage of salary)	5.0%-9.0%	5.0%-9.0%

During the year, the Sturgeon Lake First Nation contributed \$369,305 (2021 - \$324,417) to the pension plan.

27. Annual Surplus Net of Capital Related Revenues and Amortization

	2022	2021
Current Surplus	\$ 5,253,705	\$ 4,249,177
Less capital related revenues included in annual surplus:		
Federal government transfers recognized	(1,739,928)	(3,208,015)
Less: Limited Partnership Earnings		
Less: Limited Partnership Earnings	3,513,777	1,041,162
Add amortization expense included in annual surplus	(932,353)	(290,730)
	1,572,640	1,725,979
	\$ 4,154,064	\$ 2,476,411

28. Financial Instruments

Financial assets include cash, restricted assets, trust funds held by the Federal Government, portfolio investments, accounts receivable, store inventory, agricultural inventory, limited partnership interests, government business enterprise investment are measured at amortized cost as presented on the consolidated statement of financial position, except for the trust funds held by the Federal Government and portfolio investments which are measured at fair value, and the government business enterprise investments and limited partnership interests, which are measured using the modified equity method.

Financial liabilities include accounts payable, due to related parties, unexpended revenue, and long-term debt and are measured at amortized cost as presented on the consolidated statement of financial position.

The First Nation is not subject to currency risk, credit risk, or other price risk. The following are the significant risks to which the First Nation is exposed.

Interest rate risk

The First Nation is exposed to interest rate cash flow risk to the extent that its loans payable are at a floating rate of

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

Sturgeon Lake First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

28. Financial Instruments continued

interest. The First Nation is also exposed to interest rate price risk to the extent that agreements receivable are at a fixed rate of interest.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this risk, the First Nation maintains a portion of its invested assets in liquid securities.

Market risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risks to which the First Nation is exposed are interest rate risk and price risk.

29. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and have been derived from the budget approved by the Sturgeon Lake First Nation's Chief and Council.

30. Comparative figures

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

Sturgeon Lake First Nation

Schedule #1

Education

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Fixed Contribution	\$ 5,747,505	\$ 9,395,150	\$ 8,273,841
ISC - Flexible Contribution	437,022	437,022	-
Other Revenue	1,311,325	473,983	238,962
Prince Albert Grand Council	168,773	267,188	282,532
SIIT	-	52,285	-
Recognition (deferral) of unexpended funding	-	(191,671)	186,004
	7,664,625	10,433,957	8,981,339
Expenses			
Salaries and wages	5,232,130	5,097,948	4,795,630
Student Expenses	134,909	1,286,251	1,174,496
Administrative Fees	717,141	834,084	699,010
Supplies	392,549	723,763	436,018
Contracted Services	209,372	620,678	309,063
Equipment Purchase	105,200	504,910	77,500
Meetings & workshops	285,650	412,216	213,356
Utilities	220,254	347,692	300,015
Repairs and maintenance	202,965	263,994	119,967
Activities	88,000	138,258	83,302
Other operating expenses	30,000	38,642	35,645
Insurance	28,705	32,208	28,258
Professional fees	12,750	15,598	9,051
Interest and bank charges	5,000	10,161	7,652
Assistance	-	-	612,542
	7,664,625	10,326,403	8,901,505
Current surplus before transfers	-	107,554	79,834
Transfer to capital assets	-	(355,472)	(77,500)
Current surplus (deficit)	\$ -	\$ 463,026	\$ 157,334

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

Sturgeon Lake First Nation

Schedule #2

Health

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Flexible Contribution	\$ 539,775	\$ 4,291,795	\$ 2,994,986
ISC - Block Contribution	2,130,964	2,999,923	2,325,318
ISC - Set Contribution	831,068	983,803	-
ISC - Fixed Contribution	668,427	77,962	1,413,540
Other revenue	453,418	1,781,026	780,417
Prince Albert Grand Council	40,827	258,860	268,274
Recognition (deferral) of unexpended funding	-	2,250	(780,496)
	4,664,479	10,395,619	7,002,039
Expenses			
Salaries and wages	2,370,728	3,380,976	2,193,630
Supplies	315,892	913,847	1,832,621
Meetings & workshops	575,273	765,446	294,937
Professional fees	25,400	753,960	5,989
Administrative Fees	490,333	733,706	558,376
Other operating expenses	180,387	633,719	416,440
Activities	146,487	601,440	386,249
Equipment Purchase	-	181,618	57,231
Repairs and maintenance	73,840	85,016	49,164
Assistance	40,000	74,569	-
Utilities	41,500	57,034	51,612
Insurance	33,500	51,709	53,744
Contracted Services	38,000	38,488	77,596
Interest and bank charges	20,000	9,265	6,130
	4,351,340	8,280,793	5,983,719
Current surplus before transfers	313,139	2,114,826	1,018,320
Transfer to capital assets	-	(624,848)	(57,231)
Current surplus (deficit)	\$ 313,139	\$ 2,739,674	\$ 1,075,551

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

Sturgeon Lake First Nation

Schedule #3

Economic Development

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
Prince Albert Grand Council	\$ -	\$ 45,000	\$ 60,296
Other revenue	-	-	1,500
Recognition (deferral) of unexpended funding	-	-	199,997
		45,000	261,793
Expenses			
Contracted Services	-	91,809	66,908
Equipment Purchase	-	10,317	-
Supplies	-	1,335	2,655
Interest and bank charges	-	232	147
Utilities	-	70	-
Meetings & workshops	-	-	3,802
		103,763	73,512
Current surplus (deficit)	\$ -	\$ (58,763)	\$ 188,281

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

Sturgeon Lake First Nation

Schedule #4

Housing

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
Rental income	\$ -	\$ 486,756	\$ 486,756
CMHC Subsidy	-	467,346	470,658
	-	954,102	957,414
Expenses			
Insurance	-	265,022	264,298
Repairs and maintenance	-	159,148	171,430
Contracted Services	-	116,067	800
Interest and bank charges	-	61,049	82,497
Administrative Fees	-	56,795	56,738
Professional fees	-	13,000	13,000
Supplies	-	553	2,829
	-	671,634	591,592
Current surplus before transfers			
Transfer to capital assets	-	282,468	365,822
	-	(112,107)	-
Current surplus (deficit)	\$ -	\$ 394,575	\$ 365,822

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

Sturgeon Lake First Nation

Schedule #5

Social Services

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Flexible Contribution	\$ -	\$ 4,137,987	\$ 4,088,703
ISC - Fixed Contribution	-	297,820	336,463
ISC - Set Contribution	-	207,301	225,327
Other revenue	-	7,170	4,195
Recognition (deferral) of unexpended funding	-	(62,899)	(136,654)
		- 4,587,379	4,518,034
Expenses			
Social Assistance	-	2,881,377	3,260,400
Salaries and wages	-	224,093	202,012
Other operating expenses	-	157,884	245,327
Administrative Fees	-	64,678	62,562
Utilities	-	60,391	41,640
Contracted Services	-	38,355	25,162
Activities	-	17,992	11,994
Meetings & workshops	-	16,138	17,304
Repairs and maintenance	-	15,941	10,123
Supplies	-	9,904	111,562
Insurance	-	5,272	6,418
Assistance	-	1,106	-
Interest and bank charges	-	940	185
		- 3,494,071	3,994,689
Current surplus (deficit)	\$ -	\$ 1,093,308	\$ 523,345

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

Sturgeon Lake First Nation

Schedule #6

Band Government

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Grant	\$ -	\$ 676,822	\$ 551,753
ISC - Fixed Contribution	-	126,267	180,571
ISC - Flexible Contribution	-	113,092	89,014
Other revenue	-	1,472,346	1,156,434
Northern Lights Community Development	-	35,116	70,572
Rental income	-	4,800	5,070
Prince Albert Grand Council	-	2,133	-
Recognition (deferral) of unexpended funding	-	(4,385)	(19,423)
	-	2,426,191	2,033,991
Expenses			
Salaries and wages	-	558,111	715,139
Contracted Services	-	290,748	185,075
Supplies	-	283,031	118,717
Travel expenses	-	231,308	185,729
Other operating expenses	-	147,415	501
Utilities	-	77,974	95,448
Meetings & workshops	-	71,800	41,554
Professional fees	-	44,360	242,522
Equipment Purchase	-	35,225	37,500
Administrative Fees	-	23,936	26,959
Repairs and maintenance	-	19,034	67,500
Interest and bank charges	-	11,028	22,675
Insurance	-	2,370	1,367
	-	1,796,340	1,740,686
Current surplus (deficit)	\$ -	\$ 629,851	\$ 293,305

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

Sturgeon Lake First Nation

Schedule #7

Community Services

Schedule of Operations

For the Year Ended March 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
ISC - Fixed Contribution	\$ -	\$2,327,493	\$ 1,469,613
ISC - Flexible Contribution	-	-	818,249
Other revenue	-	45,250	88,730
Recognition (deferral) of unexpended funding	-	(938,229)	1,271,287)
	-	1,434,514	1,105,305
Expenses			
Contracted Services	-	570,477	497,751
Salaries and wages	-	331,208	310,658
Utilities	-	281,262	218,003
Administrative Fees	-	232,749	148,786
Repairs and maintenance	-	210,023	168,728
Insurance	-	93,088	38,683
Supplies	-	89,804	64,307
Equipment Purchase	-	30,750	125,000
Meetings & workshops	-	17,926	15,640
Interest and bank charges	-	9,405	8,056
	-	1,866,692	1,595,612
Current surplus before transfers	-	(432,178)	(490,307)
Transfer to capital assets	-	-	(125,000)
Current surplus (deficit)	\$ -	\$ (432,178)	\$ (365,307)

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

Sturgeon Lake First Nation

Schedule #8

Capital

Schedule of Operations

For the Year Ended March 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
ISC - Flexible Contribution	\$ -	\$ 3,516,193	\$ 2,545,518
Rental income	-	-	39,801
Other revenue	-	-	5,158
Recognition (deferral) of unexpended funding	-	(1,776,265)	662,497
	-	1,739,928	3,252,974
Expenses			
Contracted Services	-	1,267,680	1,946,464
Repairs and maintenance	-	381,964	370,211
Professional fees	-	128,390	717,576
Salaries and wages	-	99,543	86,240
Administrative Fees	-	27,982	28,868
Utilities	-	21,683	15,212
Interest and bank charges	-	16,690	14,749
Meetings & workshops	-	5,707	14,405
Other operating expenses	-	4,725	-
Supplies	-	2,052	3,172
Insurance	-	1,264	89,204
	-	1,957,680	3,286,101
Current surplus before transfers			
Transfer to capital assets	-	(217,752)	(33,127)
Transfers from other program	-	(1,259,882)	(2,518,787)
	-	(90,001)	-
Current surplus (deficit)	\$ -	\$ 1,132,131	\$ 2,485,660

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

Sturgeon Lake First Nation

Schedule #9

Other Programs

Schedule of Operations

For the Year Ended March 31, 2022

		2022	2022	2021
		Budget	Actual	Actual
Revenue				
ISC - Flexible Contribution	\$ -	\$ 1,113,748	\$ 2,636,138	
ISC - Fixed Contribution	-	578,376	193,843	
Store Revenue	-	7,288,563	7,400,142	
Limited Partnership Earnings	-	932,353	290,730	
First Nation Trust	-	492,955	654,888	
Ottawa Trust Fund Revenue	-	423,571	405,778	
TLE Revenue Account	-	388,715	425,072	
SIIT	-	352,189	248,890	
Prince Albert Grand Council	-	188,584	161,711	
Other revenue	-	188,177	165,506	
Earnings in GBE	-	81	22	
Recognition (deferral) of unexpended funding	-	(373,748)	(996,797)	
	-	11,573,564	11,585,923	
Expenses				
Cost of Sales	-	5,792,754	5,725,179	
Salaries and wages	-	1,560,239	1,065,361	
Other operating expenses	-	843,961	507,971	
Assistance	-	570,535	1,146,495	
Contracted Services	-	436,036	719,178	
Flow through to Child & Family Services	-	209,300	-	
Activities	-	202,715	84,524	
Funeral Assistance	-	200,360	197,989	
Professional fees	-	190,709	231,539	
Supplies	-	161,650	104,121	
Administrative Fees	-	148,282	286,258	
Utilities	-	139,591	92,996	
Repairs and maintenance	-	132,998	42,326	
Meetings & workshops	-	104,901	48,335	
Insurance	-	32,954	32,969	
Interest and bank charges	-	15,144	6,317	
Bad debt expense	-	6,713	26,196	
Equipment Purchase	-	-	17,004	
	-	10,748,842	10,334,758	
Current surplus before transfers				
Transfer to capital assets	-	824,722	1,251,165	
Transfers to other program	-	(129,999)	-	
	-	90,001	-	
Current surplus (deficit)	\$ -	\$ 864,720	\$ 1,251,165	

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

Sturgeon Lake First Nation

Schedule #10

Amortization

Schedule of Operations

For the Year Ended March 31, 2022
(unaudited)

	2022	2022	2021
	Budget	Actual	Actual
Revenue			
Expenses			
Amortization - Education	\$ -	\$ 469,084	\$ 531,583
Amortization - Housing	-	431,352	431,352
Amortization - Community Services	-	203,465	235,814
Amortization - Health	-	181,018	191,318
Amortization - Band program	-	170,310	195,397
Amortization - Other program	-	117,411	140,515
	-	1,572,640	1,725,979
Current surplus (deficit)	\$ -	\$ (1,572,640)	\$ (1,725,979)

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