

White Bear First Nations
Consolidated Financial Statements
March 31, 2023

White Bear First Nations

Contents

For the year ended March 31, 2023

Page

Management's Responsibility

Independent Auditor's Report

Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	3
Consolidated Statement of Changes in Net Financial Assets.....	4
Consolidated Statement of Cash Flows.....	5

Notes to the Consolidated Financial Statements.....	6
---	---

Schedules

Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	24
Schedule 2 - Schedule of Consolidated Expenses by Object.....	26
Schedule 4 - Schedule of Revenue and Expenses - Education.....	25
Schedule 5 - Schedule of Revenue and Expenses - Social Development.....	26
Schedule 6 - Schedule of Revenue and Expenses - Community Infrastructure.....	27
Schedule 7 - Schedule of Revenue and Expenses - Band Government.....	28
Schedule 8 - Schedule of Revenue and Expenses - Capital.....	29
Schedule 9 - Schedule of Revenue and Expenses - Economic Development.....	30
Schedule 10 - Schedule of Revenue and Expenses - Health.....	31
Schedule 11 - Schedule of Revenue and Expenses - Other Band Programs.....	32

Management's Responsibility

To the Members of White Bear First Nations:

The accompanying financial statements of White Bear First Nations (the "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 financial statements.

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

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the 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 may meet periodically and separately with, both the Council and management to discuss their audit findings.

September 20, 2023

"Original Signed By Roxanne Appell"

Independent Auditor's Report

To the Members of White Bear First Nations:

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 Chief and Council 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 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.

Chief and Council are responsible for overseeing the 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.

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 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 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 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 Group 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.

Regina, Saskatchewan

September 20, 2023

MNP LLP

Chartered Professional Accountants

White Bear First Nations
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
Financial assets		
Current		
Cash and cash equivalents <i>(Note 11)</i>	11,223,855	8,083,063
Project management cash <i>(Note 4)</i>	252,296	252,296
Marketable securities <i>(Note 5)</i>	15,000	15,000
Accounts receivable <i>(Note 6)</i>	495,296	285,526
	11,986,447	8,635,885
Long-term investment <i>(Note 7)</i>	10	10
Advances to White Bear Lake Golf Course Inc. <i>(Note 8)</i>	280,939	282,809
Scholarship fund	19,133	19,133
Investment in Nation partnerships and business entities <i>(Note 9)</i>	3,665,737	3,504,147
Funds held in trust <i>(Note 10)</i>	9,161,542	9,237,550
Replacement reserve fund bank - CMHC <i>(Note 12)</i>	295,760	294,252
Operating reserve fund bank - CMHC <i>(Note 12)</i>	692,644	709,440
Total financial assets	26,102,212	22,683,226

The accompanying notes are an integral part of these financial statements

White Bear First Nations
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
Liabilities		
Current		
Accounts payable and accruals	498,980	679,506
Deferred revenue (Note 13)	3,938,154	5,290,160
Advances from related Nation entities & department (Note 16)	733,978	766,174
Current portion of long-term debt (Note 14)	2,166,668	229,536
	7,337,780	6,965,376
Long-term debt (Note 14)	3,137,086	4,257,215
Asset retirement obligation (Note 15)	2,583,731	-
Total long-term liabilities	5,720,817	4,257,215
Total liabilities	13,058,597	11,222,591
Net financial assets	13,043,615	11,460,635
Contingencies (Note 17)		
Non-financial assets		
Tangible capital assets (Note 18) (Schedule 1)	19,485,769	18,036,159
Prepaid expenses	227,504	112,866
Total non-financial assets	19,713,273	18,149,025
Accumulated surplus (Note 19)	32,756,888	29,609,660
Approved on behalf of the Chief and Council		

"Original Signed By Tanya Whitebear"

"Original Signed By Sheri McArthur"

White Bear First Nations

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2023

	<i>Schedules</i>	2023 Budget (Note 23)	2023	2022
Revenue				
Indigenous Services Canada (Note 21)		5,096,389	12,257,735	10,067,962
First Nations & Inuit Health (Note 22)		1,281,877	4,358,246	2,087,611
SITAG		7,200	339,326	430,039
Canada Mortgage and Housing Corporation		-	296,761	137,908
Federation of Sovereign Indigenous Nations		-	718,181	490,962
Settlement proceeds		-	844,120	-
Earnings from investment in Nation partnerships		-	786,054	733,906
Taxation		519,240	538,555	518,573
First Nations Trust		32,000	667,754	739,793
Gain on Disposal of Capital Assets		-	318,123	-
Lease income		-	301,644	287,043
Other		292,646	202,483	201,686
Rental income		3,156	172,207	155,102
Nurse fees		-	144,000	144,000
Royalties		-	106,866	256,873
Contributions		362,531	92,772	-
Donations and Grants		-	47,773	101,424
Bear Claw Community Development Incorporated		-	33,000	-
User fees		2,832	9,307	12,786
Interest income		-	7,166	9,100
Insurance proceeds		-	-	29,950
		7,597,871	22,242,073	16,404,718
Program expenses (Schedule 2)				
Education	3	3,322,879	4,913,136	3,643,260
Social Development	4	631,123	1,642,003	1,551,590
Community Infrastructure	5	776,093	2,698,682	2,078,386
Band Government	6	1,027,912	2,514,646	2,110,038
Capital	7	-	1,221,802	912,010
Economic Development	8	254,629	827,527	608,179
Health	9	1,415,002	2,672,721	2,087,609
Other Band Programs	10	474,240	2,604,328	3,115,288
		7,901,878	19,094,845	16,106,360
Annual (deficit) surplus		(304,007)	3,147,228	298,358
Accumulated surplus, beginning of year		29,609,558	29,609,660	29,311,302
Accumulated surplus, end of year		29,305,551	32,756,888	29,609,660

The accompanying notes are an integral part of these financial statements

White Bear First Nations
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget (Note 23)	2023	2022
Annual (deficit) surplus	(304,007)	3,147,228	298,358
Purchases of tangible capital assets	-	(825,760)	(904,991)
Amortization of tangible capital assets	-	1,884,626	1,379,337
Recognition of asset retirement obligation	-	(2,508,476)	-
	-	(1,449,610)	474,346
Acquisition of prepaid expenses	-	(144,575)	(112,866)
Use of prepaid expenses	-	29,937	14,897
	-	(114,638)	(97,969)
(Decrease) Increase in net financial assets	(304,007)	1,582,980	674,735
Net financial assets, beginning of year	11,460,635	11,460,635	10,785,900
Net financial assets, end of year	11,156,628	13,043,615	11,460,635

The accompanying notes are an integral part of these financial statements

White Bear First Nations
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	3,147,228	298,358
Non-cash items		
Amortization	1,884,626	1,379,337
Accretion of asset retirement obligation	75,254	-
Bad debts	99,003	93,904
Less increase in investment in Nation partnerships and business entities	(839,981)	(733,906)
Gain on disposal of tangible capital assets	(318,253)	-
	4,047,877	1,037,693
Changes in working capital accounts		
Accounts receivable	(308,773)	745,473
Prepaid expenses	(114,638)	(97,969)
Accounts payable and accruals	(180,523)	63,510
Deferred revenue	(1,352,007)	525,109
	2,091,936	2,273,816
Financing activities		
Advances of long-term debt	1,019,005	1,109,459
Repayment of long-term debt	(202,003)	(185,238)
	817,002	924,221
Capital activities		
Purchases of tangible capital assets	(825,760)	(904,991)
Proceeds on disposal of tangible capital assets	318,253	-
	(507,507)	(904,991)
Investing activities		
Cash from Nation partnerships and business entities	678,391	271,190
Net repayments to related Nation entities	(30,326)	(19,653)
Decrease in project management cash	-	104,740
Increase in replacement reserve cash	(1,508)	(2,304)
Decrease (increase) in operating reserve cash	16,796	(768)
Decrease (increase) in funds held in trust	76,008	(211,964)
	739,361	141,241
Increase in cash resources	3,140,792	2,434,287
Cash resources, beginning of year	8,083,063	5,648,776
Cash resources, end of year	11,223,855	8,083,063

The accompanying notes are an integral part of these financial statements

White Bear First Nations

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

1. Operations

The White Bear First Nations (the "Nation") is located in the province of Saskatchewan, in Treaty 4 Territory, and provides various services to its members. White Bear First Nations includes the Nation's members, government and all related entities that are accountable to the Nation and are controlled by the Nation.

2. Change in accounting policies

Effective April 1, 2022, the First Nation adopted the recommendations relating to the following sections, as set out in the Canadian public sector accounting handbook:

Financial instruments

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. Upon adopting PS 3450, the First Nation is also required to adopt PS 1201 *Financial Statement Presentation*, and PS 3041 *Portfolio Investments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

Asset retirement obligations

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

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 3.

Pursuant to the recommendations, the change was applied prospectively and prior periods have not been restated. As such, the First Nation recognized asset retirement obligations for those arising on or after April 1, 2022, as well as for those arising prior to April 1, 2022 but for which an obligation was not previously recognized.

The cumulative effect in the current year of adopting this new standard is to increase liabilities by \$2,583,731, increase the associated tangible capital assets by \$2,099,535, and increase expenses by \$484,196.

3. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation business entities.

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

- White Bear First Nations
- White Bear First Nation C.M.H.C. Housing
- White Bear Oil and Gas Enterprise
- White Bear Oil and Gas Ltd.
- Wabimusqua Oil and Gas Ltd.
- Wabimusqua Oil and Gas Limited Partnership

White Bear First Nations

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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

- White Bear Industrial Works Ltd.
- White Bear Industrial Works Limited Partnership

All inter-entity balances have been eliminated on consolidation. Wabimusqua Oil and Gas Ltd., Wabimusqua Oil and Gas Limited Partnership, White Bear Industrial Works Limited, and White Bear Industrial Works Limited Partnership have a year end of December 31, 2022 which are not coterminous with the Nation's year end. There were no significant events which would have affected the statement of financial position and statement of operations in the intervening period to the Nation's year end date. White Bear Oil and Gas Enterprise, White Bear Oil and Gas Ltd., Wabimusqua Oil and Gas Ltd., Wabimusqua Oil and Gas Limited Partnership, Industrial Works Ltd, and White Bear Industrial Works Limited Partnership do not meet the definition of a government business enterprise and as such, have been consolidated.

White Bear First Nations business entities, controlled by the Nation's Council but not dependent on the Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- White Bear Lake Resort Inc.
- White Bear Lake Golf Course Inc.
- White Bear Holdings Ltd.

Separate audits are performed on the above entities' financial statements. These entities are related by common ownership.

Other economic interests

White Bear First Nations is a member of Yorkton Tribal Council Child and Family Services Incorporated. The Yorkton Tribal Council Child and Family Services Incorporated is an organization of fourteen member First Nations, whose purpose is to provide child and family services to the fourteen member Nations.

White Bear First Nations is a member of the Southeast Treaty Four Tribal Council. The Tribal Council is an organization of two Nations. The Tribal Council is to enhance the services provided to the member Nations.

White Bear First Nations is a member of the Bear Claw Community Development Incorporated. The Bear Claw Community Development Incorporated facilitates the distribution of a portion of net proceeds derived from the Dakota Dunes, Painted Hand, and Living Skies for charitable purposes to First Nations charities and non-First Nation charities located within the community of White Bear First Nations and surrounding area.

The First Nation does not have a share in the profit or loss of the above entities. As a result, the financial statements of Yorkton Tribal Council Child and Family Services Incorporated, Southeast Treaty Four Tribal Council, and Bear Claw Community Development Incorporated have not been consolidated with the financial statements of White Bear First Nations.

Basis of presentation

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Asset classification

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

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

Cash resources

Cash resources includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

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. At initial recognition the First Nation may irrevocably elect to subsequently measure at fair value financial instruments that meet certain criteria. The First Nation has not made such an election during the year.

The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. All financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

All financial assets are tested annually for impairment. Management considers recent collection experience for receivables, such as delinquency in payments, in determining whether objective evidence of impairment exists. Any impairment which is not considered temporary is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value.

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Loans receivable

Loans (advances) are recorded at principal amounts, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis. Loan and administration fees are amortized over the term of the loan.

Tangible capital assets

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

Amortization

Amortization for tangible capital assets is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives. In the year of acquisition, amortization is taken at 1/2 of the annual amount. Assets under construction are not amortized until they are put into use.

	Rate
Buildings	10 - 40 years
Housing	10 - 35 years
Equipment	10 years
Land improvements	25 years
Vehicles	3 years
Roads	25 years
Utility systems	5 - 30 years

Funds held in Ottawa Trust Fund

Funds are held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund. Trust moneys consist of:

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

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

Asset retirement obligation

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

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

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

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Intangible assets

The Nation owns mineral rights, water resources and crown lands. These items are not recognized in the Nation's financial statements in accordance with PS 1200 *Financial Statement Presentation*.

Net financial assets

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

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

Revenue recognition

Government transfers

The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Tax revenue

The Nation recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by council, and the taxable event has occurred.

Commercial tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the Nation evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

Non-government funding

Revenue is recognized as it becomes available under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Other revenue

Rental revenue is recognized over the rental term. Investment income is recognized as it is earned. Revenue from gross overriding royalties on interest in natural gas and petroleum properties is recognized when measurable, earned and collection is reasonably assured. Other revenue are earned from other services provided by the Nation and are recognized when the service has been provided.

Funds held in Ottawa Trust Fund

Due to the measurement uncertainty, revenue related to funds held in the Ottawa Trust Fund is recognized when it is deposited in the trust account.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable and amounts due to White Bear Lake Golf Course Inc., 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 tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for. Legal contingencies are based on estimates provided by the Nation's legal counsel when the settlement is probable and the amount can be reasonably measured.

A liability for asset retirement obligations reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Segments

The Nation conducts its business through 8 reportable segments as identified in the attached schedules. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, to assess operational performance and as part of its funding requirements.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information and are apportioned based on a percentage of budgeted revenue, where permitted by funding agencies.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Liability for contaminated sites

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2023.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. No liability for contaminated sites exists as at March 31, 2023.

4. Project management cash

Restricted cash consists of cash managed by capital project managers who are responsible for payment of expenses relating to capital projects funded by ISC. At March 31, 2023 this amounted to \$252,296 (2022 - \$252,296).

5. Marketable securities

Market value of marketable securities at March 31, 2023 include \$15,000 (2022 - \$15,000) subject to interest of 2.50%, maturing in December 2023, and \$274,878 (2022 - \$273,275), included in replacement reserve fund bank - CMHC, subject to interest of 2.50% (2022 - 0.55%), maturing August 2023.

6. Accounts receivable

	2023	2022
Indigenous Services Canada	23,995	-
CMHC	151,193	10,781
Members	591,457	566,124
Rent	389,787	318,480
Other	411,957	362,944
	1,568,389	1,258,329
Allowance for doubtful accounts	(1,073,093)	(972,803)
	495,296	285,526

White Bear First Nations

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

7. Long-term investment

Effective December 17, 2015, a Partnership owned by the First Nation and consolidated within these financial statements purchased 10 Class A Common Voting Shares and 10,000 Class D Common Non-Voting Shares in the capital of a private oil and gas exploration company, for the purchase price of \$0.01 per Class A Common Voting Share and \$0.0009 per Class D Common Non-Voting Share. The shares represent 10% of the issued and outstanding shares of the company.

The Partnership also provided a shareholder loan to the company in the amount of \$499,990 in 2016. An additional \$30,000 was provided in 2017 for a total of \$529,990. The loan is non-interest bearing with no set terms of repayment. The loan is secured by a promissory note, a guarantee and general security agreement from a related company in respect to some equipment. The full amount of the loan receivable has been fully allowed for.

8. Advances to White Bear Lake Golf Course Inc.

Advances to related Nation entities are unsecured, non-interest bearing and without fixed terms of repayment. All transactions with related parties are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2023	2022
Advances to White Bear Lake Golf Course Inc.	400,626	402,496
Less: allowance for doubtful accounts	(119,687)	(119,687)
	280,939	282,809

9. Investment in Nation partnerships and business entities

The Nation has investments in the following entities:

	2023	2022
Wholly-owned Business - Modified Equity		
White Bear Lake Golf Course Inc.	1,704,069	1,758,519
White Bear Holdings Ltd.	1,271,799	1,322,376
White Bear Lake Resort Inc.	689,869	432,148
White Bear Industrial Works Limited Partnership and Ltd.	-	(8,896)
Net assets	3,665,737	3,504,147

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

Investment in Nation partnerships and business entities *(Continued from previous page)*

Summary financial information for each Nation partnership and business entity, accounted for using the modified equity method, for their respective year-end is as follows:

	White Bear Lake Golf Course Inc.	White Bear Lake Resort Inc.	White Bear Holdings Ltd.
	As at October 30, 2022	As at September 30, 2022	As at November 30, 2022
Assets			
Cash and cash equivalents	396,050	507,590	409,874
Other current	23,112	95,034	13,487
Advances to related parties	-	-	340,912
Property and equipment	1,737,374	547,742	837,471
Total assets	2,156,536	1,150,366	1,601,744
Liabilities			
Current	121,602	145,906	13,610
Advances from related parties	293,585	-	117,835
Deferred revenue	6,000	314,591	-
Intervening equity pickup	-	-	198,500
Obligation under finance lease	31,280	-	-
Total liabilities	452,467	460,497	329,945
Net assets	1,704,069	689,869	1,271,799
Total revenue	768,615	1,309,635	813,773
Total expenses	823,066	1,051,914	230,989
	(54,451)	257,721	582,784

The above assets, liabilities, net assets (liabilities), revenue, expenses and earnings (loss) are as reported for each company's financial statements. The investment balance has been adjusted for any inter-organizational gains and losses and for the First Nations portion of ownership interest. White Bear Lake Golf Course Inc. was adjusted for inter-organization allowance for doubtful accounts in the amount of \$119,687. White Bear Holdings Ltd. was adjusted for inter-organization allowance for doubtful accounts in the amount of \$170,912.

The Nation's business entities have a different year end than March 31, 2023. The First Nations uses the business entities year end financial statements to account for its investment in these investees.

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Funds held in trust

Capital and revenue trust moneys are transferred to the Nation on the authorization of the Nation's Council, with the consent of the Minister of Indigenous Services Canada.

	2023	2022
Capital Trust		
Balance, beginning of year	385,498	205,422
Oil royalties	3,000	180,076
	388,498	385,498
Less: Expenditures and Transfers to Nation	140,000	-
Balance, end of year	248,498	385,498
Revenue Trust		
Balance, beginning of year	147,193	115,305
Interest	7,166	9,100
Land leases	297,544	282,943
	451,903	407,348
Less: Transfers to Nation	243,718	260,155
Balance, end of year	208,185	147,193
Suspense		
Balance, beginning and end of year	8,704,859	8,704,859
Total	9,161,542	9,237,550

White Bear First Nations

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

10. Funds held in trust *(Continued from previous page)*

In September 2009, \$5,333,334 of the Nation's funds held in its capital trust account at Ottawa were transferred into a suspense account by Indigenous Services Canada, pending settlement/judgement of a dispute over entitlement to an oil producing strip of land along the Nation's northern boundary. The funds put into suspense were thought to represent earnings derived from the disputed reserve lands. The Nation challenged this decision and was unsuccessful at the Federal Court, Trial Division with its judicial review application. The Nation appealed to the Federal Court of Appeal and was successful in overturning the Minister's decision to unilaterally suspend the Nation's trust moneys; however, the Court of Appeal gave the Minister of Indigenous Services the opportunity to apply to the Federal Court seeking direction regarding what to do with the disputed funds via an interpleader proceeding. The Minister commenced an interpleader proceeding in late 2012 resulting in the Federal Court ordering the suspended moneys and all future revenue derived from the disputed northern boundary lands to be held in suspense until further order of the Court. The outcome of this dispute and the litigation involved is not determinable at this time. The suspended funds are still the legal property of the Nation; however, they are being held in 'suspense' until the underlying entitlement issue is finally resolved. As such, the Nation does not have access to these funds. The liability, if any, will be recorded in the period in which the dispute has been resolved. In 2014, an additional \$3,371,525 was transferred to suspense relating to income earned on the northern boundary lands under dispute. There were no funds transferred to suspense in the current year from the capital or the revenue account. Interest earned on the funds held and any royalty and lease fees on the disputed land in the suspense accounts has not been made available and therefore any possible interest, royalties or lease fees earned has not been recorded. It will be adjusted for in the period in which the interest, royalties and lease fees becomes known. It is estimated that the balance in suspense is in excess of \$15,000,000 as at March 31, 2023.

During the current year, \$243,718 and \$140,000 (2022 - \$260,155) was transferred to White Bear First Nations from the capital & revenue accounts through requests for funds held in trust. The transfer of funds is recorded in the following segments/programs:

Other Band Programs - Band Trust Funds	\$481,286
Community Infrastructure - Community Infrastructure	\$ 59,725

As of March 31, 2023, the First Nations has unexpended transfers from the Funds held in Trust in the amount of \$159,085 (2022 - \$316,378).

11. Line of Credit

At March 31, 2023, the First Nation had lines of credit totaling \$315,000 (2022 - \$315,000), of which \$nil (2022 - \$58,579) was outstanding at year end. Interest is payable monthly on the outstanding balance at prime plus 2%. The following has been collateralized in connection with this line of credit:

- General security agreement; and
- Assignment of all ISC funding.

12. CMHC reserves

Operating reserve

The Nation's CMHC Housing Program receives funding pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this program.

Replacement reserve

A replacement reserve fund has been established for replacement of capital equipment and for major repairs to the houses. Pursuant to CMHC agreements, operating provisions of \$90 per unit per month are provided for in the statement of operations for Phase 15, \$100 per unit per month for Phase 16, \$76.39 per unit per month for Phase 17, \$100 per unit per month for Phase 18, \$100 per unit per month for Phase 19, and \$71 per month for Phase 20.

At March 31, 2023, the replacement reserve fund is under funded by \$450,434 (2022 - under funded by \$303,745) and the operating reserve fund is over funded by \$183,390 (2022 - over funded by \$190,456).

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

13. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Funds received</i>	<i>Recognized as revenue</i>	<i>Balance, end of year</i>
Taxation	130,439	136,039	130,439	136,039
FNIHB	1,026,333	709,014	1,091,960	643,387
ISC	4,133,388	1,535,031	2,873,692	2,794,727
First Nation Trust	-	1,031,754	667,754	364,000
	5,290,160	3,411,838	4,763,845	3,938,153

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

14. Long-term debt

The following CMHC loans are secured by government guarantees, and relate to the construction of on-reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

<u>CMHC Phase</u>	<u>Monthly Payment Including Interest</u>	<u>Interest rate</u>	<u>Maturity Date</u>	2023	2022
15	459	0.83%	Apr. 1, 2025	11,370	16,759
16	2,002	2.48%	May 1, 2027	95,021	116,410
17	1,036	0.69%	June 1, 2030	86,718	98,513
18	5,150	1.01%	Aug. 1, 2036	775,215	828,907
19	3,010	1.13%	June 1, 2036	444,388	475,309
20	2,350	3.98%	Nov. 1, 2042	385,270	212,519
21	-	-	-	215,982	-
				2,013,964	1,748,417
Bank of Montreal Loan, interest at 3.97%, quarterly principal and interest payments of \$36,895, secured by gaming and taxation revenue, matures March 2024.				1,989,764	2,035,645
Native Claims Loan, interest-free until maturity, due on the earlier of March 31, 2026 or the date on which the claim is settled, no monthly repayment, secured by a Promissory Note made by the First Nation payable to the Receiver General for Canada of the equivalent amount of the loan.				92,977	92,977
Native Claims Loan, interest-free until maturity, due on the earlier of March 31, 2026 or the date on which the claim is settled, no monthly repayment, secured by a Promissory Note made by the First Nation payable to the Receiver General for Canada of the equivalent amount of the loan.				55,000	55,000
Native Claims Loan, interest-free until maturity, due on the earlier of March 31, 2026 or the date on which the claim is settled, no monthly repayment, secured by a Promissory Note made by the First Nation payable to the Receiver General for Canada of the equivalent amount of the loan.				147,990	147,990
Native Claims Loan, interest-free until maturity, due on the earlier of March 31, 2026 or the date on which the claim is settled, no monthly repayment, secured by a Promissory Note made by the First Nation payable to the Receiver General for Canada of the equivalent amount of the loan.				200,000	200,000
Hay Lands Claim Loan, interest-free until maturity, due on the earlier of March 31, 2027 or the date on which the claim is settled, no monthly repayment, secured by a Promissory Note made by the First Nation payable to the Receiver General for Canada of the equivalent amount of the loan.				129,624	-

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

	2023	2022
Peace Hills Trust Loan, interest at 3.75%, monthly principle and interest payments of \$3,681, secured by priority General Security Agreement and ISC, FNIHB, FN Gaming and Taxation interest, matures May 12, 2027.	170,200	206,722
Treaty Land Entitlement Claim Loan, interest-free until maturity, due on the earlier of March 31, 2027, or the date on which the claim is settled, no monthly repayment, secured by a Primossory Note made by the First nation payable to the Receiver General for Canada of the equivalent amount of the loan.	504,235	-
	5,303,754	4,486,751
Less: current portion	2,166,668	229,536
	3,137,086	4,257,215

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2024	2,166,668
2025	180,278
2026	675,743
2027	815,898
2028	128,425

Interest paid on long-term debt was \$107,445 (2022 - \$97,491).

Phase 21 was approved in the 2023 fiscal year, and construction has begun for the phase. Loan repayment dates will be determined when the phase is substantially complete.

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

15. Asset retirement obligation

The First Nation owns buildings which contain asbestos, and is required to comply with legal requirements regarding disposal which is estimated to be in 10 years. The First Nation recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of housing and buildings. The asset retirement cost is amortized on a straight-line basis over the remaining years until remediation.

The First Nation estimated the amount of the liability using the discounted cash flow method. The significant assumptions used to determine the best estimate of the liability include;

- Estimate of 10 years until remediation
- Estimated inflation rate of 3% (risk free rate estimated to approximate inflation)

	2023	2022
Liabilities incurred	927,538	-
Accretion	27,826	-
Balance, end of year	955,364	-

The First Nation owns a landfill, and is required to comply with legal requirements regarding decommissioning which is estimated to be in 5 years. The First Nation recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the landfill. The asset retirement cost is amortized on a straight-line basis over the remaining years until remediation.

The First Nation estimated the amount of the liability using the discounted cash flow method. The significant assumptions used to determine the best estimate of the liability include;

- Estimate of 5 years until remediation
- Estimated inflation rate of 3% (risk free rate estimated to approximate inflation)

	2023	2022
Liabilities incurred	800,000	-
Accretion	24,000	-
Balance, end of year	824,000	-

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

15. Asset retirement obligation *(Continued from previous page)*

2023 **2022**

The First Nation owns a landfill, and is required to comply with legal requirements regarding decommissioning during post-closure which is estimated last for 25 years once the landfill is closed. The First Nation recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the landfill. The asset retirement cost is amortized on a straight-line basis over the remaining years until remediation.

The First Nation estimated the amount of the liability using the discounted cash flow method. The significant assumptions used to determine the best estimate of the liability include;

- Estimate of 5 years until remediation begins
- Remediation to last 25 years
- Estimated inflation rate of 3% (risk free rate estimated to approximate inflation)

	2023	2022
Liabilities incurred	780,938	-
Accretion	23,428	-
Balance, end of year	804,366	-

Effective April 1, 2022, the First Nation is required to record and disclose legal obligations associated with the retirement of a tangible capital asset in accordance with PS3280 Asset Retirement Obligations. The First Nation recorded an asset retirement obligation relating to its landfill site in the amount of \$1,628,366 including post closure costs and \$955,364 relating to houses and buildings. As of March 31, 2023, the First Nation determined that funding is available upon application from the Government of Canada to cover the costs of the closure and post-closure activities that are required upon retirement of the assets. The First Nation is unable to reasonably estimate a value for the settlement but expects it to equal the reported liability for the landfill retirement obligation.

16. Advances from related Nation entities

Advances from related Nation entities are unsecured, non-interest bearing and without fixed terms of repayment. All transactions with related parties are measured at the exchange amount.

	2023	2022
Advances from White Bear Holdings Ltd.	502,419	536,221
Advances from White Bear Lake Resort	231,559	231,559
Advances to White Bear Industrial Works	-	(1,606)
	733,978	766,174

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

17. Contingencies

The First Nation is involved in legal claims relating to labour disputes. The likelihood of loss and estimated liability for these claims is not determinable at March 31, 2023. If any liability results from these claims, it will be accounted for as an expenditure at that time.

Continued receipt of funding from federal government agencies is dependent upon the programs being managed and operated within the terms and conditions of the funding agreements that have been made with federal government agencies. The Nation is currently in line with these agreements.

The Nation is involved in a TLE claim with the federal government with respect to disputed lands. It is probable the claim could result in a significant cash inflow to the Nation. The amount of the probable settlement is unknown as at March 31, 2023.

Residential Schools - band reparations class action settlement

On March 9, 2023, the Federal Court of Canada approved a settlement between Canada and 325 First Nation communities for the collective harm suffered by Indigenous communities as a result of Indian Residential Schools. White Bear First Nations expects to receive a payment for the purposes of developing a plan to carry out one or more of the objectives set out in the settlement. Further funds may be available upon submission of additional documentation. There may also be an annual entitlement payment for a share of annual investment income on funds related to the settlement.

First Nations drinking water class action settlement

On December 22, 2021, the Federal Court of Canada has approved a settlement between Canada and certain First Nations and their members who were subject to a drinking water advisory that lasted at least one year between November 20, 1995, and June 20, 2021. The First Nations is participating in the settlement class.

The First Nations is unable to reasonably estimate a value or range of outcomes for the settlement because it is in part based on individual impacted members' claims which can be filed up to March 7, 2024. As at March 31, 2023, the First Nations has received \$500,000 upon initial acceptance of the settlement agreement.

18. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Assets under construction includes costs of \$372,884 for Phase 21.

Tangible capital assets include roads, water lines and sewer lines disclosed at a nominal amount; all of which having reached the end of their amortization period.

The Nation holds works of art and historical treasures which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

19. Accumulated surplus

White Bear First Nations does not have a moveable asset reserve.

Accumulated surplus consists of the following:

	2023	2022
Equity in Ottawa Trust Funds	9,161,542	9,237,550
Equity in CMHC operating reserve	509,253	518,984
Equity in CMHC replacement reserve	746,194	597,997
Equity in tangible capital assets	13,406,681	14,685,213
Equity in controlled business entities	3,665,737	3,504,147
Unrestricted surplus	5,267,481	1,065,777
	32,756,888	29,609,668

White Bear First Nations
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

20. Economic dependence

White Bear First Nations receives a significant portion of its revenue from Indigenous Services Canada (ISC) as a result of treaties entered into with His Majesty the King. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

21. Reconciliation of funding from Indigenous Services Canada

	2023	2022
Funding per ISC confirmation	10,895,079	11,007,449
Plus Recoveries:	23,995	-
Deferred revenue - prior year	4,133,388	3,193,901
Deferred revenue - current year	(2,794,727)	(4,133,388)
Funding total per financial statements	12,257,735	10,067,962

22. Reconciliation of funding from First Nations and Inuit Health Branch

	2023	2022
Funding per FNIHB confirmation	3,975,300	2,334,223
Deferred revenue - prior year	1,026,333	1,061,837
Deferred revenue - current year	(643,387)	(1,026,333)
	4,358,246	2,369,727
Less: Recoveries		
Prenatal	-	(5,026)
Health O&M	-	(20,771)
Fetal alcohol spectrum	-	(1,069)
HIV/AIDS	-	(7,997)
Mental health	-	(21,632)
Aboriginal diabetes initiative	-	(2,155)
Immunization	-	(1,186)
Health Research & Engagement	-	(7,915)
Home and Community Care	-	(2,217)
Suicide Prevention	-	(2,900)
Health Planning Management	-	(54,506)
Maternal Health	-	(15,000)
Headstart Building	-	(131,742)
CDSS	-	(8,000)
	-	(282,116)
Funding total per financial statements	4,358,246	2,087,611

23. Budget information

The disclosed budget information was approved on April 8, 2022 by the Chief and Council of White Bear First Nations.

24. Segments

The First Nation has 8 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Education - includes the operations of education programs.

Social Development - activities include delivering social programs.

Community Infrastructure - includes activities for the maintenance of the community and its infrastructure.

Band Government - includes administration and governance activities.

Capital - reports on capital projects.

Economic Development - includes activities for the development of the First Nation's land and resources.

Health - includes the operations of health care programs.

Other Band programs - other band programs which do not meet the criteria for the other segments.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

25. Comparative figures

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

26. 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 interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The carrying amount of accounts receivable represents the maximum exposure to credit risk.

Accounts receivable from two (2022 - one) entities represents 64% (2022 - 63%) of total receivables at March 31, 2023.

Risk management

The First Nation manages its credit risk by performing regular assessments and providing allowances for potentially uncollectible accounts, which was \$1,073,093 (2022 - \$972,803). The First Nation believes there is limited credit risk as the majority of accounts receivable is due from White Bear programs.

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled in cash. The First Nation enters into transactions to purchase goods and services for which repayment is required at various dates.

The First Nation manages the liquidity risk resulting from accounts payable and accruals, and deferred revenue by collecting accounts receivable, maintaining liquid assets and through an authorized line of credit up to \$315,000.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The First Nation is exposed to interest rate risk primarily through its long-term debt and marketable securities. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through obtaining debt with a combination of fixed and variable rates, entering into agreements with Canada Mortgage and Housing Corporation (CMHC) to provide subsidy for the payment of principal and interest on the related loans from CMHC, and obtaining marketable securities with varying maturity dates.

White Bear First Nations
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Buildings</i>	<i>Equipment</i>	<i>Roads</i>	<i>Utility systems</i>	<i>Vehicles</i>	<i>Land improvements</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	13,363,878	1,668,595	1	12,540,577	1,362,840	767,622	29,703,513
Acquisition of tangible capital assets	940,256	18,125	-	1,580,938	260,176	-	2,799,495
Disposal of tangible capital assets	-	-	-	-	(177,934)	-	(177,934)
Balance, end of year	14,304,134	1,686,720	1	14,121,515	1,445,082	767,622	32,325,074
Accumulated amortization							
Balance, beginning of year	9,723,579	1,255,522	1	3,467,943	1,198,409	442,227	16,087,681
Annual amortization	461,307	96,443	-	749,812	88,959	28,437	1,424,958
Accumulated amortization on disposals	-	-	-	-	(177,934)	-	(177,934)
Balance, end of year	10,184,886	1,351,965	1	4,217,755	1,109,434	470,664	17,334,705
Net book value of tangible capital assets	4,119,248	334,755	-	9,903,760	335,648	296,958	14,990,369
Net book value of tangible capital assets	3,640,299	413,073	-	9,072,634	164,431	325,396	13,615,833

2022

White Bear First Nations
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Subtotal</i>	<i>Housing</i>	<i>Assets under construction</i>	<i>2023</i>	<i>2022</i>
Cost					
Balance, beginning of year	29,703,513	19,022,180	305,898	49,031,591	48,275,357
Acquisition of tangible capital assets	2,799,495	467,753	66,987	3,334,235	904,991
Disposal of tangible capital assets	(177,934)	(168,342)	-	(346,276)	(148,756)
Balance, end of year	32,325,074	19,321,591	372,885	52,019,550	49,031,592
Accumulated amortization					
Balance, beginning of year	16,087,681	14,907,752	-	30,995,433	29,764,852
Annual amortization	1,424,958	459,666	-	1,884,624	1,379,337
Accumulated amortization on disposals	(177,934)	(168,342)	-	(346,276)	(148,756)
Balance, end of year	17,334,705	15,199,076	-	32,533,781	30,995,433
Net book value of tangible capital assets	14,990,369	4,122,515	372,885	19,485,769	18,036,159
	2022				
Net book value of tangible capital assets	13,615,833	4,114,428	305,898	18,036,159	

White Bear First Nations
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2023

	2023 Budget (Note 23)	2023	2022
Consolidated expenses by object			
Salaries and benefits	4,028,762	4,854,055	4,431,857
Amortization	-	1,884,626	1,379,337
Assistance	-	1,792,115	1,564,088
Contracted services	148,511	1,408,383	1,082,919
Repairs and maintenance	410,627	1,257,375	1,409,484
Tuition	230,000	971,514	277,395
Program costs and community projects	211,952	959,440	664,011
Professional fees	475,155	895,325	748,583
Meetings and travel	419,690	694,852	409,217
Student costs	539,793	671,898	583,453
Materials and supplies	332,367	580,665	408,485
Covid Assistance / Expense	290,198	543,940	1,304,962
Insurance	600	453,408	202,201
Community events	73,271	348,388	78,427
Utilities	133,940	207,341	159,246
Recreation activities	-	206,457	44,290
Professional development, workshops and training	145,592	186,374	178,595
Wakes and funerals	-	179,739	204,913
Miscellaneous	190,576	171,882	153,440
Honouraria	40,000	166,319	151,448
Telephone	82,460	133,100	102,672
Interest on long-term debt	-	107,445	97,491
Bad debts	-	99,003	93,904
Donations and grants	9,100	96,762	30,628
Accretion expense	-	75,254	-
Minor equipment	46,934	55,764	92,243
Bank charges and interest	26,246	40,104	41,374
SAMA assessment fee	44,172	28,470	151,158
Advertising and promotion	9,300	16,034	9,240
Rent	6,000	8,813	18,799
Election	-	-	31,500
Administration fee	6,632	-	-
	7,901,878	19,094,845	16,105,360

White Bear First Nations
Education

Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 23)	2023	2022
Revenue			
Indigenous Services Canada	3,259,402	5,222,822	3,990,538
First Nations & Inuit Health Branch	-	-	9,581
SITAG	7,200	242,917	276,821
Rental income	3,156	16,856	15,491
Other	8,160	13,003	25,767
Gain on Disposal of Capital Assets	-	4,770	-
	3,277,918	5,500,368	4,318,198
Expenses			
Salaries and benefits	1,970,397	1,862,089	1,547,639
Tuition	230,000	971,514	277,395
Student costs	539,793	665,267	579,364
Program costs and community projects	7,500	384,684	354,024
Contracted services	73,099	343,857	334,204
Materials and supplies	194,130	167,725	130,645
Meetings and travel	92,000	132,537	35,959
Repairs and maintenance	112,100	68,086	153,593
Honouraria	13,600	61,619	46,106
Amortization	-	51,468	18,305
Professional fees	3,200	37,800	28,005
Covid Assistance / Expense	-	26,348	26,669
Minor equipment	26,800	25,535	31,141
Miscellaneous	-	24,956	9,440
Donations and grants	5,500	24,339	12,737
Telephone	12,600	16,124	12,102
Community events	5,000	10,701	5,276
Professional development, workshops and training	20,000	9,729	4,236
Utilities	8,400	9,370	6,889
Bad debts	-	8,138	22,087
Advertising and promotion	4,500	7,407	-
Bank charges and interest	4,260	3,843	7,135
Insurance	-	-	309
	3,322,879	4,913,136	3,643,260
(Deficit) Surplus before transfers	(44,961)	587,232	674,938
Transfers between programs	-	7,864	(284,772)
(Deficit) Surplus	(44,961)	595,096	390,166

White Bear First Nations
Social Development
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 23)	2023	2022
Revenue			
Indigenous Services Canada	597,561	2,325,454	1,373,334
First Nations & Inuit Health	-	30,909	51,783
Nurse fees	-	144,000	144,000
Donations and Grants	-	25,000	-
Other	144,000	10,642	(4,583)
	741,561	2,536,005	1,564,534
Expenses			
Assistance	-	1,366,898	1,284,614
Salaries and benefits	123,300	73,379	72,220
Program costs and community projects	-	58,364	67,793
Meetings and travel	95,800	36,829	29,404
Miscellaneous	104,783	30,416	6,634
Professional development, workshops and training	3,216	29,824	15,028
Materials and supplies	5,980	16,139	41,169
Repairs and maintenance	-	8,500	-
Minor equipment	-	5,980	11,853
Bank charges and interest	2,659	5,156	1,995
Administration fee	2,787	4,980	3,902
Bad debts	-	4,225	-
Telephone	2,400	1,313	2,300
Covid Assistance / Expense	290,198	-	14,678
	631,123	1,642,003	1,551,590
Surplus before transfers	110,438	894,002	12,944
Transfers between programs	-	-	60,017
Surplus	110,438	894,002	72,961

White Bear First Nations
Community Infrastructure
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 23)	2023	2022
Revenue			
Indigenous Services Canada	487,616	2,236,959	1,302,463
Other	-	1,718	1,031
User fees	2,832	1,407	2,886
	490,448	2,240,084	1,306,380
Expenses			
Amortization	-	1,078,384	664,741
Repairs and maintenance	256,742	550,599	761,125
Contracted services	67,200	316,709	183,206
Salaries and benefits	310,875	226,096	264,883
Insurance	-	173,886	-
Utilities	96,000	119,326	103,769
Materials and supplies	22,800	90,392	23,328
Accretion expense	-	75,254	-
Professional development, workshops and training	3,600	43,174	54,643
Telephone	7,200	13,303	12,340
Donations and grants	3,600	5,000	-
Advertising and promotion	-	3,405	3,400
Meetings and travel	4,800	2,286	4,084
Bank charges and interest	120	622	591
Bad debts	-	246	1,024
Minor equipment	-	-	1,252
Miscellaneous	3,156	-	-
	776,093	2,698,682	2,078,386
(Deficit) surplus before transfers	(285,645)	(458,598)	(772,006)
Transfers between programs	-	59,725	284,772
(Deficit) surplus	(285,645)	(398,873)	(487,234)

White Bear First Nations
Band Government
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 23)	2023	2022
Revenue			
Indigenous Services Canada	497,182	978,307	1,061,320
Settlement proceeds	-	844,120	-
Contributions	362,531	-	-
Other	117,799	29,616	21,100
Rental income	-	400	-
	977,512	1,852,443	1,082,420
Expenses			
Salaries and benefits	585,345	879,108	931,197
Professional fees	116,027	744,305	546,276
Meetings and travel	135,900	337,359	201,714
Contracted services	8,212	236,167	29,573
Honouraria	26,400	97,600	89,792
Telephone	41,660	60,406	50,693
Materials and supplies	72,379	49,364	79,966
Utilities	26,300	37,053	18,455
Donations and grants	-	12,812	16,492
Minor equipment	-	12,789	32,859
Repairs and maintenance	1,200	12,112	9,034
Bad debts (recovery)	-	10,993	(18,248)
Amortization	-	9,964	1,464
Bank charges and interest	12,600	6,875	8,379
Student costs	-	6,631	4,089
Advertising and promotion	2,400	3,200	3,600
Professional development, workshops and training	30,000	2,277	7,340
Community events	2,400	2,096	405
Covid Assistance / Expense	-	-	74,913
Rent	6,000	-	6,199
Election	-	-	31,500
Miscellaneous (recovery)	18,212	(58)	1,164
Administration fee (recovery)	(57,123)	(6,407)	(16,818)
	1,027,912	2,514,646	2,110,038
Deficit before transfers	(50,400)	(662,203)	(1,027,618)
Transfers between programs	-	468,674	571,677
Deficit	(50,400)	(193,529)	(455,941)

White Bear First Nations
Capital

Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 23)	2023	2022
Revenue			
Indigenous Services Canada	-	1,041,173	741,933
First Nations & Inuit Health	-	-	(131,742)
Canada Mortgage and Housing Corporation	-	17,229	34,840
Gain on Disposal of Capital Assets	-	313,353	-
Rental income	-	49,751	47,881
Other	-	562	30,294
Insurance proceeds	-	-	29,950
Contributions	-	(86,500)	-
	-	1,335,568	753,156
Expenses			
Repairs and maintenance	-	434,226	200,577
Contracted services	-	325,320	433,242
Amortization	-	248,832	223,446
Insurance	-	103,498	1,560
Salaries and benefits	-	77,020	42,668
Materials and supplies cost (recovery)	-	20,055	3,612
Meetings and travel cost (recovery)	-	2,729	(175)
Miscellaneous	-	2,335	2,416
Telephone	-	2,205	732
Professional development, workshops and training	-	1,845	-
Administration fee	-	1,427	1,155
Bad debts	-	802	970
Professional fees	-	800	-
Bank charges and interest	-	708	1,107
Honouraria	-	-	700
	-	1,221,802	912,010
Surplus (deficit) before transfers	-	113,766	(158,854)
Transfers between programs	-	35,000	8,389
Surplus (deficit)	-	148,766	(150,465)

White Bear First Nations
Economic Development
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 23)	2023	2022
Revenue			
Indigenous Services Canada	254,628	316,128	818,847
First Nations & Inuit Health	-	225,526	-
Royalties	-	103,866	76,796
Other	-	45,149	67,275
Contributions (expense)	-	40,872	(25,000)
Bear Claw Community Development Incorporated	-	7,475	-
Donations and Grants	-	-	98,924
	254,628	739,016	1,036,842
Expenses			
Covid Assistance / Expense	-	184,905	-
Salaries and benefits	100,325	162,033	219,838
Contracted services	-	141,368	34,263
Professional fees	10,100	90,434	132,387
Meetings and travel	6,000	56,151	44,582
Program costs and community projects	68,922	41,560	55,108
Materials and supplies	1,878	38,814	14,883
Amortization	-	32,298	31,457
Donations and grants	-	25,000	-
Miscellaneous	9,500	15,023	18,658
Professional development, workshops and training (recovery)	15,000	12,776	13,475
Repairs and maintenance	16,500	12,102	17,967
Honouraria	-	3,675	6,300
Bad debts	-	3,500	5,300
Telephone	-	3,410	3,209
Bank charges and interest	800	1,887	2,413
Advertising and promotion	2,400	1,722	2,240
Minor equipment	18,334	460	1,643
Rent	-	409	-
Administration fee	4,870	-	4,456
	254,629	827,527	608,179
(Deficit) surplus before transfers	(1)	(88,511)	428,663
Transfers between programs	-	(40,000)	104,411
(Deficit) surplus	(1)	(128,511)	533,074

White Bear First Nations
Health

Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 23)	2023	2022
Revenue			
First Nations & Inuit Health	1,281,878	4,101,811	2,157,990
Bear Claw Community Development Incorporated	-	7,525	-
Other	22,687	5,940	2,431
	1,304,565	4,115,276	2,160,421
Expenses			
Salaries and benefits	903,521	926,315	840,977
Program costs and community projects	135,530	461,185	149,007
Community events	65,871	335,592	72,746
Assistance	-	335,112	162,131
Recreation activities	-	155,000	-
Meetings and travel	85,190	95,099	63,279
Materials and supplies	35,200	74,139	59,770
Repairs and maintenance	24,085	62,941	51,835
Professional development, workshops and training	73,776	54,853	76,464
Contracted services	-	44,962	30,986
Covid Assistance / Expense	-	43,551	443,505
Amortization	-	30,253	17,430
Telephone	18,600	22,243	17,260
Bank charges and interest	5,806	8,505	6,524
Miscellaneous	3,000	6,794	60,148
Donations and grants	-	5,770	-
Minor equipment	1,800	4,095	4,431
Utilities	3,240	3,459	2,807
Honouraria	-	2,550	-
Professional fees	2,685	700	16,644
Administration fee	56,098	-	7,305
Insurance	600	-	401
Bad debts (recovery)	-	(397)	3,959
	1,415,002	2,672,721	2,087,609
Transfers between programs	-	-	(114,572)
(Deficit) Surplus	(110,437)	1,442,555	(41,760)

White Bear First Nations
Other Band Programs

Schedule 10 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2023

	2023 Budget (Note 23)	2023	2022
Revenue			
Indigenous Services Canada	-	136,892	779,529
Canada Mortgage and Housing Corporation	-	279,532	103,068
SITAG	-	96,409	153,218
Earnings from investment in Nation business entities	-	786,054	733,906
Federation of Sovereign Indigenous Nations	-	718,181	490,962
Taxation	519,240	538,555	518,573
First Nations Trust	-	667,754	739,793
Lease income	-	301,644	287,043
Contributions	-	138,400	25,000
Rental income	-	105,200	91,730
Other	-	95,852	58,371
Donations and Grants	-	22,773	2,500
Bear Claw Community Development Incorporated	-	18,000	-
User fees	-	7,900	9,900
Interest income	-	7,166	9,100
Royalties	-	3,000	180,076
	519,240	3,923,312	4,182,769
Expenses			
Salaries and benefits	35,000	648,015	512,434
Amortization	-	433,429	422,494
Covid Assistance / Expense	-	289,135	745,197
Wakes and funerals	-	179,739	204,913
Insurance	-	176,025	199,931
Materials and supplies	-	124,037	55,111
Repairs and maintenance	-	108,810	215,855
Interest on long-term debt	-	107,445	97,491
Miscellaneous	51,925	92,416	54,978
Assistance	-	90,104	117,343
Bad debts	-	71,496	78,813
Recreation activities	-	51,457	44,290
Utilities	-	38,134	27,326
Professional development, workshops and training	-	31,898	7,409
Meetings and travel	-	31,861	30,371
SAMA assessment fee	44,172	28,470	151,158
Donations and grants	-	23,841	1,399
Professional fees	343,143	21,286	25,270
Telephone	-	14,096	4,036
Program costs and community projects	-	13,646	38,079
Bank charges and interest	-	12,507	13,731
Rent	-	8,400	12,600
Minor equipment	-	6,906	9,063
Honouraria	-	875	8,550
Advertising and promotion	-	300	-
Contracted services	-	-	37,446
	474,240	2,604,328	3,115,288
Surplus before transfers	45,000	1,318,984	1,067,481

Continued on next page

White Bear First Nations
Other Band Programs
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 23)	2023	2022
Surplus before transfers <i>(Continued from previous page)</i>	45,000	1,318,984	1,067,481
Transfers between programs	-	(531,263)	(629,923)
Surplus	45,000	787,721	437,558