

**Driftpile Cree Nation**

**Consolidated Financial Statements**

**March 31, 2021**

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**Driftpile Cree Nation****Consolidated Financial Statements**

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**March 31, 2021**

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## Driftpile Cree Nation

### **Management's Responsibility for Financial Reporting**

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**March 31, 2021**

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The accompanying consolidated financial statements of Driftpile Cree Nation are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Driftpile Cree Nation and meet when required.

On behalf of Driftpile Cree Nation:

Original signed by \_\_\_\_\_  
Chief

October 4, 2021 \_\_\_\_\_  
Date

Original signed by \_\_\_\_\_  
Chief Administrative Officer

October 4, 2021 \_\_\_\_\_  
Date

## Independent Auditors' Report

### **To the Members of Driftpile Cree Nation**

#### ***Opinion***

We have audited the consolidated financial statements of Driftpile Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, change in net financial 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 consolidated financial position of the Nation as at March 31, 2021, and the results of its consolidated operations, its changes in its consolidated net financial assets (debt), and its consolidated 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 Auditors' 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 Those Charged with Governance for the Consolidated Financial Statements***

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

In preparing the consolidated financial statements, management is responsible for assessing the Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

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

## ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

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

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.

**Edmonton, Canada**  
**October 4, 2021**

*Crove Mackay CPA*  
**Chartered Professional Accountants**

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**Driftpile Cree Nation****Consolidated Statement of Financial Position**

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<b>March 31</b>	<b>2021</b>	<b>2020</b>
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**Financial Assets**

Cash (Note 3)	\$ 6,892,492	\$ 3,846,401
Accounts receivable (Note 4)	1,007,807	1,208,988
Investments (Note 5)	5,524	5,738
Investment in and advances to Driftpile Entities (Note 6)	3,980,391	1,860,076
Ottawa Trust Funds (Note 7)	1,211,182	1,186,680
Driftpile Cree Nation Agricultural Benefits Settlement Trust (Note 12)	<u>51,824,510</u>	-
	<b>64,921,906</b>	<b>8,107,883</b>

**Liabilities**

Accounts payable and accrued liabilities	2,377,594	2,999,143
Deferred revenue (Note 8)	7,146,372	5,379,897
Long-term debt (Note 9)	<u>10,183,957</u>	8,456,226
	<b>19,707,923</b>	<b>16,835,266</b>
<b>Net financial assets (debt)</b>	<b>45,213,983</b>	<b>(8,727,383)</b>

**Non-financial Assets**

Capital assets (Note 10)	58,381,674	50,315,039
Prepaid expenses	140,772	222,553
	<b>58,522,446</b>	<b>50,537,592</b>
<b>Accumulated Surplus (Note 11)</b>	<b>\$103,736,429</b>	<b>\$ 41,810,209</b>

Contingent liabilities (Note 13)

**Approved on behalf of the Driftpile Cree Nation**Original signed by \_\_\_\_\_, Chief      Original signed by \_\_\_\_\_, CouncilorOriginal signed by \_\_\_\_\_, Councilor      Original signed by \_\_\_\_\_, CouncilorOriginal signed by \_\_\_\_\_, Councilor      Original signed by \_\_\_\_\_, Councilor

## Driftpile Cree Nation

### Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
Indigenous Services Canada (ISC)	\$ 24,352,513	\$ 25,727,623	\$ 27,048,770
Lesser Slave Lake Indian Regional Council (LSLIRC)	2,149,517	736,787	664,452
First Nation Development Funds	662,315	388,239	640,194
CMHC subsidy	79,104	108,813	61,840
Net Income (loss) from DCN Entities	-	2,374,255	(364,130)
Trust Funds - Interest revenue	-	24,502	40,348
Other income	4,495,028	3,468,440	4,805,512
Agricultural Benefits Settlement	-	134,879,644	-
	<b>31,738,477</b>	<b>167,708,303</b>	32,896,986
<b>Expenses (Note 20)</b>			
Band Government	2,421,069	2,361,903	2,920,033
Education	5,768,228	5,946,874	6,544,827
Health	5,037,913	4,328,090	3,795,572
Social Services	2,918,447	2,262,164	2,907,515
Housing	3,948,361	1,105,540	847,166
Community Services	2,463,423	456,370	1,054,480
Economic Development	1,520,299	923,002	1,222,963
Public Works	8,018,843	2,298,311	2,056,029
Other	8,867,246	582,270	708,774
Amortization	-	2,462,425	2,135,391
Agricultural Benefits Settlement	-	83,055,134	-
	<b>40,963,829</b>	<b>105,782,083</b>	24,192,750
<b>Excess of revenue over expenses</b>	<b>(9,225,352)</b>	<b>61,926,220</b>	8,704,236
<b>Accumulated surplus, beginning of year</b>	<b>41,810,209</b>	<b>41,810,209</b>	33,105,973
<b>Accumulated surplus, end of year</b>	<b>\$ 32,584,857</b>	<b>\$ 103,736,429</b>	<b>\$ 41,810,209</b>

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**Driftpile Cree Nation****Consolidated Statement of Change in Net Financial Assets (Debt)**

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For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
<b>Excess of revenue over expenses</b>	<b>\$ (9,225,352)</b>	<b>\$ 61,926,220</b>	<b>\$ 8,704,236</b>
Acquisition of tangible capital assets	-	(10,529,060)	(15,334,955)
Amortization of tangible capital assets	-	2,462,425	2,135,391
	-	(8,066,635)	(13,199,564)
(Acquisition) use of prepaid asset	81,781	81,781	(85,500)
<b>Decrease in net financial assets</b>	<b>(9,143,571)</b>	<b>53,941,366</b>	<b>(4,580,828)</b>
<b>Net debt, beginning of year</b>	<b>(8,727,383)</b>	<b>(8,727,383)</b>	<b>(4,146,555)</b>
<b>Net financial assets (debt), end of year</b>	<b>\$ (17,870,954)</b>	<b>\$ 45,213,983</b>	<b>\$ (8,727,383)</b>

# Driftpile Cree Nation

## Consolidated Statement of Cash Flow

For the year ended March 31, 2021	2021	2020
<b>Cash flows from Operating activities</b>		
Excess of revenue over expenses	\$ 61,926,220	\$ 8,704,236
Items not affecting cash		
Amortization of capital assets	2,462,425	2,135,391
	<b>64,388,645</b>	10,839,627
Change in non-cash operating working capital		
Accounts receivable	201,181	(108,183)
Prepaid expenses	81,779	(85,502)
Accounts payable and accrued liabilities	(621,548)	1,897,810
Deferred revenue	1,766,475	2,123,509
	<b>65,816,532</b>	14,667,261
<b>Capital activities</b>		
Purchase of capital assets	(10,529,060)	(15,334,955)
<b>Financing activities</b>		
Repayment of long-term debt	(7,175,481)	(275,665)
Proceeds of long term debt	8,903,212	3,821,256
	<b>1,727,731</b>	3,545,591
<b>Investing activities</b>		
Investments	214	100
Investment in and advances to Driftpile Entities	(2,120,315)	(314,262)
Ottawa Trust Funds	(24,502)	(40,348)
Driftpile Cree Nation Agricultural Benefits Settlement Trust	(51,824,509)	-
	<b>(53,969,112)</b>	(354,510)
<b>Increase in cash and cash equivalents</b>	<b>3,046,091</b>	2,523,387
<b>Cash and cash equivalents, beginning of year</b>	<b>3,846,401</b>	1,323,014
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,892,492</b>	\$ 3,846,401

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# Driftpile Cree Nation

## Notes to Consolidated Financial Statements

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March 31, 2021

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### 1. Basis of Presentation and Significant Accounting Policies

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

#### (a) Reporting entity principles of financial reporting

The Driftpile Cree Nation reporting entity includes the Driftpile Cree Nation government and all related entities that are accountable to the Nation and are either owned or controlled by the Driftpile Cree Nation.

Business enterprises, that are owned or controlled by the Driftpile Cree Nation and that are not dependent on the Nation for their continuing operations, are included in the financial statements using the modified equity method, in accordance with the Public Sector Accounting recommendations.

Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform with those of the Nation. Thus, the Nation's investment in these enterprises are recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses. Enterprises accounted for by the modified equity basis includes the following:

1. Driftpile First Nation Enterprises Inc. - 100% Ownership
2. Driftpile Business Corporation - 100% Ownership
3. Driftpile Construction Services Limited Partnership - 99% Ownership
4. Driftpile Timber Management Limited Partnership - 99% Ownership

Entities accounted for by full consolidation include:

1. Driftpile Cree Nation Agricultural Benefits Settlement Trust

#### (b) Cash

Cash consists of funds held with financial institutions, and cheques issued in excess of funds held on deposit.

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## Driftpile Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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#### (c) Capital assets

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

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 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 Driftpile Cree Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings and infrastructure	10-40 years straight line
Automotive equipment	5 years straight line
Equipment and signs	5 years straight line

Capital assets are written down when conditions indicate that they no longer contribute to Driftpile Cree 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 revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets, including recognized interest in reserve lands and natural resources, as well as 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.

#### (d) Revenue recognition

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

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

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

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

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## **Driftpile Cree Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2021**

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#### **(e) Financial instruments**

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements, together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

#### **(f) Use of estimates and COVID-19 measurement uncertainty**

In preparing these financial statements, management made estimates and judgments including consideration for the uncertainties and economic implications of the COVID-19 pandemic on the Nation's operations, financial performance and financial position for the year ended March 31, 2021. The uncertainty surrounding the COVID-19 pandemic could generate in future reporting periods, a significant risk of material adjustment to the carrying amounts in the financial statements. Estimates not associated with the COVID-19 pandemic are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

## **2. Impact of COVID-19**

The COVID-19 pandemic has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, social distancing, restrictions on business operations and isolation/quarantine periods have caused material disruptions to communities and businesses, resulting in an economic slowdown.

In response, the Nation received from Indigenous Services Canada, \$5,508,836 in additional funding to assist with implementation of public health measures, income assistance initiatives, costs related to reopening.

The Nation also implemented remote work arrangements for those able to do so, and implemented stringent health and safety procedures and other precautionary measures, guided by public health authorities, to mitigate the spread of COVID-19 and the impact of the pandemic on the Nation's operations and programs.

The effects of the COVID-19 pandemic remains uncertain and as such it is not possible to estimate the length and severity of the pandemic and the impact on the financial results and condition on the Nation and its operations in future periods.

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## Driftpile Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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**3. Cash**

	2021	2020
Externally restricted cash		
CMHC	\$ 216,699	\$ 178,840
First Nation Development Funds	<u>143,105</u>	<u>202,875</u>
	<u>359,804</u>	<u>381,715</u>
Unrestricted cash		
General bank accounts	<u>6,532,688</u>	<u>3,464,686</u>
	<u><b>\$ 6,892,492</b></u>	<u><b>\$ 3,846,401</b></u>

**4. Accounts receivable**

	2021	2020
Indigenous Services Canada	\$ 378,857	\$ 105,076
First Nation Development Funds	<u>32,384</u>	<u>-</u>
LSLIRC	<u>8,100</u>	<u>786,150</u>
Government of Alberta	<u>354,334</u>	<u>31,834</u>
Members	<u>124,232</u>	<u>127,789</u>
Other	<u>673,383</u>	<u>721,622</u>
	<u><b>1,571,290</b></u>	<u><b>1,772,471</b></u>
Allowance for doubtful accounts	<u>(563,483)</u>	<u>(563,483)</u>
	<u><b>\$ 1,007,807</b></u>	<u><b>\$ 1,208,988</b></u>

**5. Investments**

	2021	2020
United Farmers of Alberta Co-operative Limited, at cost	\$ 4,850	\$ 5,064
UFA Co-operative Limited shares, at cost	<u>672</u>	<u>672</u>
1210104 Alberta Ltd. shares, at cost	<u>2</u>	<u>2</u>
	<u><b>\$ 5,524</b></u>	<u><b>\$ 5,738</b></u>

# Driftpile Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 6. Investment in and advances to Driftpile Entities

Balance Sheet - March 31,

	Driftpile First	Driftpile Cree	Driftpile	2021 Total	2020 Total
	Nation	Enterprises	Business		
	Inc.	Nation Limited	Corporation		
	(100%)	(99%)	(100%)		
Cash	\$ 30,152	\$ 6,709	\$ -	\$ 36,861	\$ 4,803
Accounts receivable	587,339	1,856,197	-	2,443,536	1,487,331
Prepaid expenses	1,386	-	-	1,386	1,386
Investment	56,749	-	24,155	80,904	64,791
Due from related party	100,562	2,174,381	100	2,275,043	1,467,531
Property and equipment	3,421,859	157,153	-	3,579,012	3,694,844
<b>Total assets</b>	<b>\$ 4,198,047</b>	<b>\$ 4,194,440</b>	<b>\$ 24,255</b>	<b>\$ 8,416,742</b>	<b>\$ 6,720,686</b>
Bank indebtedness	\$ -	\$ -	\$ 30	\$ 30	\$ 466,174
Accounts payable	307,373	620,290	-	927,663	617,117
Current portion of long-term debt	83,933	-	-	83,933	173,526
Current portion of capital lease obligation	755,646	-	-	755,646	901,220
Due to related parties	2,228,165	391,266	95,292	2,714,723	2,160,852
Long-term debt	106,933	-	-	106,933	190,794
Capital lease obligation	287,003	-	-	287,003	1,044,248
<b>Total liabilities</b>	<b>3,769,053</b>	<b>1,011,556</b>	<b>95,322</b>	<b>4,875,931</b>	<b>5,553,931</b>
<b>Equity</b>	<b>428,994</b>	<b>3,182,884</b>	<b>(71,067)</b>	<b>3,540,811</b>	<b>1,166,755</b>
<b>Total equity</b>	<b>428,994</b>	<b>3,182,884</b>	<b>(71,067)</b>	<b>3,540,811</b>	<b>1,166,755</b>
<b>Total liabilities and equity</b>	<b>\$ 4,198,047</b>	<b>\$ 4,194,440</b>	<b>\$ 24,255</b>	<b>\$ 8,416,742</b>	<b>\$ 6,720,686</b>

# Driftpile Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 6. Investment in and advances to Driftpile Entities, continued

	Driftpile First Nation Enterprises	Driftpile Cree Inc. (100%)	Driftpile Cree Partnerships (99%)	Driftpile Business Corporation (100%)	2021 Total	2020 Total
Revenue	\$ 3,123,993	\$ 6,240,710	\$ 16,113	\$ 9,380,816	\$ 7,982,774	
Expenses	2,753,903	4,355,463	6,930	7,116,296	8,213,072	
(Gain) loss on disposal of equipment	(77,708)	-	-	(77,708)	133,832	
Total expenses	2,676,195	4,355,463	6,930	7,038,588	8,346,904	
Net income (loss)	\$ 447,798	\$ 1,885,247	\$ 9,183	\$ 2,342,228	\$ (364,130)	

	2021	2020
Advances to (from) Driftpile Cree Nation Entities	\$ 439,680	\$ 693,321
Accumulated earnings	3,540,811	1,166,755
Investment in and advances to Driftpile Cree Nation Entities	\$ 3,980,491	\$ 1,860,076

### 7. Ottawa Trust Funds

The Ottawa Trust Funds include funds held by the Government of Canada for the use and benefit of the Driftpile Cree Nation. These funds are accounted for as received and the release of such funds is subject to Ministerial approval.

	March 31, 2020	Income	March 31, 2021
Ottawa funds held in trust - Capital	\$ 1,056,175	\$ -	\$ 1,056,175
Ottawa funds held in trust - Revenue	130,505	24,502	155,007
	\$ 1,186,680	\$ 24,502	\$ 1,211,182

The trust fund accounts held in Ottawa arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by sections 64 and 69 of the Indian Act.

These funds are treated by Canada as held in trust in the Consolidated Revenue fund of the Government of Canada. The funds attract interest pursuant to Section 61(2) of the Indian Act.

# Driftpile Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 8. Deferred Revenue

Deferred revenue represents funds received that will be recognized as revenue in the next fiscal year, when the related expenses are incurred, or when the terms of the funding have been fulfilled.

	March 31, 2020	Funding received	Revenue recognized	March 31, 2021
Indigenous Services Canada (ISC)	\$ 3,950,966	\$ 27,324,282	\$ (25,727,623)	\$ 5,547,625
LSLIRC	961,201	826,327	(736,787)	1,050,741
Other	467,730	3,548,716	(3,468,440)	548,006
	\$ 5,379,897	\$ 31,699,325	\$ (29,932,850)	\$ 7,146,372

### 9. Long-term debt

	2021	2020
CMHC mortgage bearing interest at 1.86%, repayable in monthly instalments of \$1,189 maturing April 2024. Secured by a ministerial guarantee.	\$ 107,023	\$ 119,376
CMHC mortgage bearing interest at 1.44%, repayable in monthly instalments of \$1,053 maturing February 2022. Secured by a ministerial guarantee.	127,611	138,506
CMHC mortgage bearing interest at 0.74%, repayable in monthly instalments of \$2,377 maturing February 2026. Secured by a ministerial guarantee.	528,126	552,484
CMHC mortgage bearing interest at 0.68%, repayable in monthly instalments of \$5,743 maturing August 2025. Secured by a ministerial guarantee.	1,550,051	1,149,990
Native Claims loan, secured by a promissory note, payable on the date the claim is settled. The note is interest free unless the Nation defaults on the note, or the note matures.	36,931	36,931
RBC Loan, bearing interest at bank prime, repayable in quarterly payments of \$105,000. Interest only to November 2021, maturing 2041. Secured by a general security agreement and FNDF ministerial guarantee.	7,810,518	-
ATB Financial Loan housing loan, repaid during the year.	-	3,211,558
ATB Financial Loan housing loan, repaid during the year.	-	3,211,759
Ford Credit Canada loan bearing interest at 6.89%, repayable in monthly instalments of \$1,258. maturing October 2022. Secured by a vehicle with a net book value of \$42,112.	23,697	35,622

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## Driftpile Cree Nation

### Notes to Consolidated Financial Statements

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**March 31, 2021**

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**9. Long-term debt, continued**

	<b>2021</b>	<b>2020</b>
	<b>\$ 10,183,957</b>	<b>\$ 8,456,226</b>

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

2022	\$ 329,554
2023	538,130
2024	528,463
2025	529,457
2026 and thereafter	8,258,353

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	<b>\$ 10,183,957</b>
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# Driftpile Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 10. Tangible Capital Assets

	Cost			Accumulated amortization			2021 net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	
Buildings	\$ 73,588,971	\$ 10,112,110	\$ 83,701,081	\$ 24,230,675	\$ 2,046,113	\$ 26,276,788	\$ 57,424,293
Automotive equipment	4,340,809	214,836	4,555,645	3,784,919	267,134	4,052,053	503,592
Equipment	2,338,967	202,114	2,541,081	1,949,864	144,478	2,094,342	446,739
Signs	23,500	-	23,500	11,750	4,700	16,450	7,050
	<b>\$ 80,292,247</b>	<b>\$ 10,529,060</b>	<b>\$ 90,821,307</b>	<b>\$ 29,977,208</b>	<b>\$ 2,462,425</b>	<b>\$ 32,439,633</b>	<b>\$ 58,381,674</b>

	Cost			Accumulated amortization			2020 Net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	
Buildings	\$ 58,577,187	\$ 15,011,784	\$ 73,588,971	\$ 22,513,705	\$ 1,716,970	\$ 24,230,675	\$ 49,358,296
Automotive equipment	4,172,446	168,363	4,340,809	3,452,154	332,765	3,784,919	555,890
Equipment	2,184,158	154,809	2,338,967	1,868,908	80,956	1,949,864	389,103
Signs	23,500	-	23,500	7,050	4,700	11,750	11,750
	<b>\$ 64,957,291</b>	<b>\$ 15,334,956</b>	<b>\$ 80,292,247</b>	<b>\$ 27,841,817</b>	<b>\$ 2,135,391</b>	<b>\$ 29,977,208</b>	<b>\$ 50,315,039</b>

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## Driftpile Cree Nation

### Notes to Consolidated Financial Statements

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**March 31, 2021**

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#### **11. Accumulated surplus**

	<b>2021</b>	<b>2020</b>
Operating Fund	\$ (1,482,895)	\$ (3,101,099)
Enterprise Funds - Driftpile Entities	3,980,391	1,860,076
Capital Asset Fund	48,197,717	41,858,814
Investment Fund	5,524	5,738
Ottawa Trust Funds	1,211,182	1,186,680
Agricultural Benefits Settlement Trust	51,824,510	-
	<b>\$103,736,429</b>	<b>\$ 41,810,209</b>

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## Driftpile Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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#### 12. Settlement Funds - Agricultural Benefits Claim

Driftpile Cree Nation submitted its Agricultural Benefits Specific Claim under Canada's Specific Claims Policy, citing that Canada had failed to provide the Agricultural Benefits described in Treaty 8.

The Driftpile Cree Nation and Canada have negotiated terms of settlement of the claim and reached a settlement agreement in March 2021. Under the agreement, the Nation was awarded \$134,879,644 from Canada, which was received subsequent to year end.

Pursuant to the claim with Canada, a portion of the balance was disbursed as Per Capita Distribution (PCD) payments to adult members of Driftpile Cree Nation. This PCD, and payment of negotiation and ratifications costs was completed in December 2020, and was financed by a bridge loan obtained from RBC in the amount of \$66,666,563. In May 2021 the bridge loan and interest was repaid from the proceeds of the Agricultural Benefits Specific Claim received from Canada. The remaining amount of the claim was placed in trust.

Driftpile Cree Nation created the Driftpile Cree Nation Agricultural Benefits Settlement Trust to administer, manage, and hold in trust the remaining amount for beneficiaries of the Trust, which include minor Driftpile Cree Nation members and the Driftpile Cree Nation. \$67,814,510 was contributed to the Trust, which included \$15,990,000 of PCD's due to minor Driftpile Cree Nation Members. The Nation's equity at March 31, 2021 as a beneficiary of the trust is equal to the contribution of \$67,814,510 less the amount due to minor members, or \$51,824,510.

At year end, the balance due from Canada and the amounts distributed and due to recipients of the claim have been presented on a net basis on the statement of financial position.

##### Driftpile Cree Nation Agricultural Benefits Settlement Trust

The Trustees of the Driftpile Cree Nation Agricultural Benefits Settlement Trust are required to hold the Trust Property in trust and use the Trust Property for the specific purposes as outlined in the Driftpile Cree Nation Agricultural Benefits Settlement Trust Agreement.

Per capita distributions due to beneficiaries under the age of 18, are held in Trust and invested in agreed upon investment funds as outlined in the Trust Agreement. Trustees are required to monitor and evaluate the performance of the investments to ensure they are in compliance with the Trust Agreement.

Upon a beneficiary reaching the age of 18 years old, the beneficiary is entitled to their proportionate per capita distribution, adjusted for inflation.

Annual income of the Trust, is deemed to be due and payable to Driftpile Cree Nation to be used for specific purposes as outlined in the Trust Agreement.

#### 13. Contingent liabilities

Government contributions related to the projects of the Nation are subject to conditions regarding the expenditure of funds. The Nation's accounting records are subject to audit by the various funding agencies. Should any instances be identified in which the amounts charged to projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

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## **Driftpile Cree Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2021**

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#### **14. CMHC Replacement Reserve**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Nation is required to provide a replacement reserve. This reserve is to ensure replacement of buildings financed by Canada Mortgage and Housing Corporation. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation, or as may otherwise be approved by Canada Mortgage and Housing Corporation. Withdrawals are to be credited to interest first and then to the principal.

#### **15. Financial Instruments**

The Nation's financial instruments consist of cash, accounts receivable, long-term investments, federal trust funds, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, the carrying value of its financial instruments approximates fair value.

It is management's opinion that the Nation is not exposed to significant currency risk from its financial instruments. The Nation is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that the entities may experience financial difficulty and be unable to fulfill their obligations. The large amount of annual funding received from the Government of Canada minimizes credit risk.

COVID-19 (see note 2) has resulted in an increase in risk of these financial instruments. The Nation cannot predict changes in these risks or the impact on operating results. Such changes related to the COVID-19 pandemic, could have a material effect in the Nation's operations and financial condition.

#### **16. Economic Dependence**

Driftpile Cree Nation receives a significant portion of its revenue pursuant to a funding agreement with Indigenous Services Canada.

#### **17. Employment retirement plan**

Driftpile Cree Nation has a defined contribution plan for its employees. Participation in the pension plan is available to substantially all employees. Employees may contribute between 1.95% and 6.9% of their gross pay, with the Nation making a matching contribution to the plan. Any voluntary amounts paid by the employee are not matched. Total employer contributions for 2021 were \$193,874 (2020: \$125,853).

#### **18. Budget**

Budgeted figures are unaudited and have been provided by management and have been approved by Chief and Council.

#### **19. Comparative Amounts**

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current year.

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## Driftpile Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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#### 20. Expenses by Object

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
<b>Expenses</b>			
Administration fees	\$ 722,054	\$ 494,181	\$ 634,128
Advertising	20,000	-	683
Agricultural Benefits Settlement disbursements	-	83,055,134	-
Amortization	-	2,462,425	2,135,391
Bad debts (recovery)	-	-	189,478
Capital purchases	12,219,855	-	-
Community events	947,311	482,393	525,514
Education allowance	641,564	864,688	859,626
Equipment rental	9,000	87,425	22,132
Health care expenses	1,858,271	2,074,003	1,412,278
Human resources development	286,355	236,401	140,618
Insurance	161,600	169,495	154,407
Interest and bank charges	10,000	320,210	267,558
Interest on long-term debt	93,802	19,225	20,575
Materials and supplies	298,895	564,053	498,948
Meeting and travel expenses	1,594,143	624,511	1,485,602
Office	594,097	286,859	635,515
Professional fees	1,557,305	848,898	1,125,354
Program costs	878,793	285,683	514,926
Rent	1,200	-	400
Repairs and maintenance	7,804,309	1,239,304	1,483,235
Social assistance	1,347,694	1,283,331	1,485,301
Subcontractors	205,125	51,217	492,207
Training	40,120	25,388	86,083
Tuition fees	1,766,878	1,688,158	2,018,839
Utilities and telephone	345,900	704,873	512,633
Vehicle operation and maintenance	126,600	44,270	128,112
Wages and benefits	7,432,958	7,869,958	7,363,207
	\$ 40,963,829	\$ 105,782,083	\$ 24,192,750

# Driftpile Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 21. Segmented information

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function as follows:

	Band Government			Education			Health		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
<b>Revenues</b>									
ISC - funding	\$ 969,352	\$ 851,596	\$ 893,433	\$ 5,849,893	\$ 5,648,797	\$ 6,412,835	\$ 6,329,658	\$ 5,384,134	\$ 3,862,845
LSLIRC	-	-	10,000	-	25,000	27,000	1,265,708	189,591	220,872
Transfers (to) from other programs	273,039	802,133	996,678	305,116	234,423	(304,700)	(758,658)	(1,146,633)	(262,377)
Other revenue	984,740	1,199,219	547,521	666,259	72,777	456,985	175,643	114,231	89,758
<b>Total revenue</b>	<b>2,227,131</b>	<b>2,852,948</b>	<b>2,447,632</b>	<b>6,821,268</b>	<b>5,980,997</b>	<b>6,592,120</b>	<b>7,012,351</b>	<b>4,541,323</b>	<b>3,911,098</b>
<b>Expenses</b>									
Wages and benefits	1,483,169	1,433,842	1,596,625	1,236,986	2,312,195	1,824,078	1,934,035	1,896,507	1,713,112
Meeting and travel expenses	300,000	247,969	470,096	110,225	57,255	119,893	485,809	247,356	547,410
Office	98,585	88,896	101,276	374,896	69,416	368,846	500	18,939	-
Program expenses	-	-	-	-	-	-	1,742,248	1,901,956	1,307,088
Repairs and maintenance	55,115	49,022	19,935	605,693	123,179	665,506	-	-	-
Tuition fees	-	-	-	1,766,878	1,688,158	2,018,839	-	-	-
Utilities and telephone	122,200	111,235	112,821	71,200	84,424	91,333	-	1,000	800
Other expenses	362,000	430,939	619,280	1,602,350	1,612,247	1,456,332	875,321	262,332	227,162
<b>Total expenses</b>	<b>2,421,069</b>	<b>2,361,903</b>	<b>2,920,033</b>	<b>5,768,228</b>	<b>5,946,874</b>	<b>6,544,827</b>	<b>5,037,913</b>	<b>4,328,090</b>	<b>3,795,572</b>
<b>Annual surplus (deficit)</b>	<b>\$ (193,938)</b>	<b>\$ 491,045</b>	<b>\$ (472,401)</b>	<b>\$ 1,053,040</b>	<b>\$ 34,123</b>	<b>\$ 47,293</b>	<b>\$ 1,974,438</b>	<b>\$ 213,233</b>	<b>\$ 115,526</b>

# Driftpile Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 21. Segmented information (continued)

	Social Services			Housing			Community Services		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
<b>Revenues</b>									
ISC - funding	\$ 2,885,162	\$ 1,969,382	\$ 2,437,810	\$ 2,382,960	\$ 2,382,960	\$ 1,393,397	-	\$ -	\$ -
LSLIRC	-	-	-	-	-	-	274,945	108,378	122,602
Transfers (to) from other programs	85,553	31,961	(37,716)	(53,796)	(106,996)	(62,701)	-	-	-
Other revenue	256,911	290,736	510,195	507,615	200,725	246,860	723,022	1,062,639	1,300,024
<b>Total revenue</b>	<b>3,227,626</b>	<b>2,292,079</b>	<b>2,910,289</b>	<b>2,836,779</b>	<b>2,476,689</b>	<b>1,577,556</b>	<b>997,967</b>	<b>1,171,017</b>	<b>1,422,626</b>
<b>Expenses</b>									
Wages and benefits	966,285	720,202	658,961	264,824	238,360	249,568	414,440	67,961	250,558
Meeting and travel expenses	108,000	6,062	61,246	17,500	7,289	11,650	333,670	19,091	83,130
Office	64,413	45,602	74,139	12,500	18,163	19,855	2,000	11,657	12,377
Health care expenses	92,500	20,872	92,647	-	-	1,283	23,523	7,656	11,260
Repairs and maintenance	30,000	6,825	20,612	345,121	536,581	349,283	29,433	-	205
Utilities and telephone	8,500	7,037	8,578	46,500	104,523	40,968	9,000	9,308	4,294
Other expenses	1,648,749	1,455,564	1,991,332	3,261,916	200,624	174,559	1,651,357	340,697	692,656
<b>Total expenses</b>	<b>2,918,447</b>	<b>2,262,164</b>	<b>2,907,515</b>	<b>3,948,361</b>	<b>1,105,540</b>	<b>847,166</b>	<b>2,463,423</b>	<b>456,370</b>	<b>1,054,480</b>
<b>Annual surplus (deficit)</b>	<b>\$ 309,179</b>	<b>\$ 29,915</b>	<b>\$ 2,774</b>	<b>\$ (1,111,582)</b>	<b>\$ 1,371,149</b>	<b>\$ 730,390</b>	<b>\$ (1,465,456)</b>	<b>\$ 714,647</b>	<b>\$ 368,146</b>

# Driftpile Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 21. Segmented information (continued)

	Economic Development			Public Works			Other		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
<b>Revenues</b>									
ISC funding	\$ 329,861	\$ 329,861	\$ 454,765	\$ 5,605,627	\$ 9,160,893	\$ 11,593,685	-	\$ -	\$ -
LSLIRC	608,864	413,818	283,978	-	-	-	-	-	-
FNDF	-	-	-	-	-	-	662,315	388,239	640,194
Transfers (to) from other programs	(33,528)	(22,247)	(191,346)	182,274	141,860	(137,837)	-	65,500	-
Other revenue	738,394	2,585,825	589,231	214,139	127,668	263,843	307,409	322,189	539,152
<b>Total revenue</b>	<b>1,643,591</b>	<b>3,307,257</b>	<b>1,136,628</b>	<b>6,002,040</b>	<b>9,430,421</b>	<b>11,719,691</b>	<b>969,724</b>	<b>775,928</b>	<b>1,179,346</b>
<b>Expenses</b>									
Wages and benefits	439,183	364,746	422,968	627,536	799,887	633,793	66,500	36,258	13,544
Meeting and travel expenses	104,439	23,347	100,157	22,500	6,992	16,684	112,000	9,151	75,335
Office	14,603	11,171	21,437	10,000	12,078	18,827	16,600	10,938	18,759
Health care expenses	-	-	-	-	-	-	-	143,519	-
Repairs and maintenance	70,000	-	58,088	6,638,947	515,910	347,354	30,000	7,784	22,248
Utilities and telephone	6,800	4,382	5,103	74,200	370,133	242,847	7,500	12,832	5,889
Other expenses	885,274	519,356	615,210	645,660	593,311	796,524	8,634,646	361,788	572,999
<b>Total expenses</b>	<b>1,520,299</b>	<b>923,002</b>	<b>1,222,963</b>	<b>8,018,843</b>	<b>2,298,311</b>	<b>2,056,029</b>	<b>8,867,246</b>	<b>582,270</b>	<b>708,774</b>
<b>Annual surplus (deficit)</b>	<b>\$ 123,292</b>	<b>\$ 2,384,255</b>	<b>\$ (86,335)</b>	<b>\$ (2,016,803)</b>	<b>\$ 7,132,110</b>	<b>\$ 9,663,662</b>	<b>\$ (7,897,522)</b>	<b>\$ 193,658</b>	<b>\$ 470,572</b>

# Driftpile Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 21. Segmented information (continued)

	Agricultural Benefits Settlement			Amortization			Consolidated totals		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
<b>Revenues</b>									
ISC - funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,352,513	\$ 25,727,623	\$ 27,048,770
LSLIRC	-	-	-	-	-	-	2,149,517	736,787	664,452
FNDF	-	-	-	-	-	-	662,315	388,239	640,194
Other revenue	-	134,879,644	-	-	-	-	4,574,132	140,855,653	4,543,569
<b>Total revenue</b>	<b>-</b>	<b>134,879,644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,738,477</b>	<b>167,708,303</b>	<b>32,896,986</b>
<b>Expenses</b>									
Wages and benefits	-	-	-	-	-	-	7,432,958	7,869,958	7,363,207
Meeting and travel expenses	-	-	-	-	-	-	1,594,143	624,512	1,485,601
Office	-	-	-	-	-	-	594,097	286,860	635,516
Health care expenses	-	-	-	-	-	-	1,858,271	2,074,003	1,412,278
Repairs and maintenance	-	-	-	-	-	-	7,804,309	1,239,301	1,483,231
Tuition fees	-	-	-	-	-	-	1,766,878	1,688,158	2,018,839
Utilities and telephone	-	-	-	-	-	-	345,900	704,874	512,633
Other expenses	-	83,055,134	-	-	2,462,425	2,135,391	19,567,273	91,294,417	9,281,445
<b>Total expenses</b>	<b>-</b>	<b>83,055,134</b>	<b>-</b>	<b>-</b>	<b>2,462,425</b>	<b>2,135,391</b>	<b>40,963,829</b>	<b>105,782,083</b>	<b>24,192,750</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 51,824,510</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,462,425)</b>	<b>\$ (2,135,391)</b>	<b>\$ (9,225,352)</b>	<b>\$ 61,926,220</b>	<b>\$ 8,704,236</b>