

**SADDLE LAKE CREE NATION
Consolidated Financial Statements
Year Ended March 31, 2020**

SADDLE LAKE CREE NATION
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Year Ended March 31, 2020

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Saddle Lake Cree Nation have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saddle Lake Cree Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

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

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 satisfying themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited on behalf of the members by Kingston Ross Pasnak LLP, in accordance with Canadian public sector accounting standards.



Saddle Lake, AB
July 30, 2020



KINGSTON
ROSS
PASNAK LLP

Suite 1500, 9888 Jasper Avenue
Edmonton, Alberta T5J 5C6
T. 780.424.3000 | **F.** 780.429.4817 | **W.** krpgroup.com

July 30, 2020

Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Members of Saddle Lake Cree Nation

Qualified Opinion

We have audited the consolidated financial statements of Saddle Lake Cree Nation (the Nation), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of revenues and expenditures, changes in net financial assets and cash flow for the year then ended, consolidated schedule of total expenses by object, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2020, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Investments in government business enterprises and long term investments, which are accounted for by the modified equity method, are carried on the consolidated statement of financial position as at March 31, 2020 and March 31, 2019. Saddle Lake Cree Nation's share of these enterprises' net income is included in Saddle Lake Cree Nation's consolidated surplus of revenue over expenditures for the years then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Nation's investment and equity in these enterprises as at March 31, 2020 and March 31, 2019 and the Nation's share of these enterprises' net income for the years then ended. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Our audit opinion on the consolidated financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation of scope.

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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 relating 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.

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Independent Auditor's Report to the Members of Saddle Lake Cree Nation (continued)

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

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

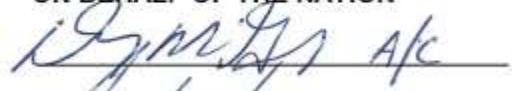
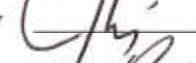
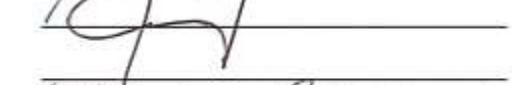
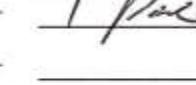
Kingston Ross Pasnak LLP

Kingston Ross Pasnak LLP
Chartered Professional Accountants

SADDLE LAKE CREE NATION
Consolidated Statement of Financial Position
March 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 14,305,420	\$ 11,635,380
Accounts receivable (Note 3)	5,925,774	4,251,043
Restricted short term investments (Note 4)	272,324	272,324
Investment in government business enterprises (Note 5)	981,270	1,483,147
Long term investments (Note 6)	6,187,899	6,826,127
Restricted capital trust funds (Note 8)	524,704	629,051
Restricted revenue trust funds (Note 8)	490,059	703,781
	28,687,450	25,800,853
LIABILITIES		
Accounts payable and accrued liabilities	2,840,176	2,567,936
Deferred revenue (Note 9)	10,024,366	7,279,408
Long term debt (Note 10)	1,857,917	1,822,497
Obligations under capital lease (Note 11)	28,428	112,979
	14,750,887	11,782,820
CONTINGENCIES (Note 14)		
NET FINANCIAL ASSETS	13,936,563	14,018,033
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	40,486,221	38,503,387
Deposits and prepaid expenses	801,657	915,388
	41,287,878	39,418,775
ACCUMULATED SURPLUS (Note 13)	\$ 55,224,443	\$ 53,436,809

ON BEHALF OF THE NATION

	Chief		Councillor
	Councillor		Councillor
	Councillor		Councillor
	Councillor		Councillor
	Councillor		Councillor

SADDLE LAKE CREE NATION

Consolidated Statement of Revenues and Expenditures

For the Year Ended March 31, 2020

	Budget 2020 (unaudited)	2020	2019
REVENUE			
Indigenous Service Canada (ISC)	\$ 33,123,127	\$ 51,923,617	\$ 47,186,580
First Nations and Inuit Health Branch (FNIHB)	8,345,087	8,756,597	9,673,571
Other revenue	788,776	5,630,498	5,395,641
Province of Alberta	471,025	3,725,952	2,632,501
Aboriginal Human Resource Development (AHRD)	1,637,452	2,280,939	1,710,588
First Nations Development Fund (FNDF)	352,000	1,209,051	1,356,929
Child Tax Benefit	300,000	468,234	480,571
Capital trust funds (<i>Note 8</i>)	829,884	257,823	400,000
Revenue trust funds (<i>Note 8</i>)	-	493,000	355,000
Canada Mortgage and Housing Corporation (CMHC)	-	325,692	239,360
(Lapsed) recovered funding	-	(49,858)	-
Contributions carried forward from prior year (<i>Note 9</i>)	684,091	7,279,408	12,049,174
Contributions carried forward to next year (<i>Note 9</i>)	-	(10,024,366)	(7,279,408)
	46,531,442	72,276,587	74,200,507
EXPENDITURES			
Child Welfare	6,839,518	16,991,008	13,523,351
Education	6,125,067	10,244,231	9,627,616
Public Works	5,390,675	9,223,478	10,462,120
Social Assistance	9,217,752	8,801,386	7,920,045
Tribal Administration	3,871,353	8,602,151	8,149,456
Health Services	8,531,452	8,499,667	7,094,641
Post Secondary Education	3,530,900	3,770,093	3,521,114
Human Resources Development	1,637,452	1,284,678	1,481,724
Social Services	1,387,273	1,467,500	1,489,649
Other Health	-	162,519	93,196
	46,531,442	69,046,711	63,362,912
SURPLUS FROM OPERATIONS			
	-	3,229,876	10,837,595
OTHER INCOME (EXPENSES)			
Income from long term investments	-	36,856	85,919
Gain on disposal of assets	-	-	1,997
Income distribution from Onihcikiskowapowin Business Trust	-	82,260	-
Loss on impairment of asset	-	(76,328)	-
(Loss) income from Government Business Enterprises (<i>Note 5</i>)	-	(501,877)	190,256
Loss on impairment of Keyano Pimee Exploration Company Ltd. (<i>Note 6</i>)	-	(665,084)	-
	-	(1,124,173)	278,172

(continues)

SADDLE LAKE CREE NATION**Consolidated Statement of Revenues and Expenditures (continued)****For the Year Ended March 31, 2020**

	Budget 2020 (unaudited)	2020	2019
SURPLUS OF REVENUES OVER EXPENDITURES	-	2,105,703	11,115,767
ACCUMULATED SURPLUS - BEGINNING OF YEAR	53,436,809	53,436,809	42,592,139
Net change in trust funds	-	(318,069)	(271,097)
ACCUMULATED SURPLUS - END OF YEAR	\$ 53,436,809	\$ 55,224,443	\$ 53,436,809

SADDLE LAKE CREE NATION**Consolidated Statement of Changes in Net Financial Assets****Year Ended March 31, 2020**

	Budget 2019 (Unaudited)	2020	2019
SURPLUS OF REVENUES OVER EXPENDITURES	\$ -	\$ 2,105,703	\$ 11,115,767
Acquisition of tangible capital assets	-	(4,898,886)	(12,630,671)
Disposal of tangible capital assets	-	76,328	25,003
Amortization of tangible capital assets	-	2,839,724	2,320,375
Increase in deposits and prepaid expenses	-	113,730	(182,042)
Net change in trust funds	-	(318,069)	(271,097)
	-	(2,187,173)	(10,738,432)
INCREASE (DECREASE) NET FINANCIAL ASSETS	-	(81,470)	377,335
Net financial assets - beginning of year	14,018,033	14,018,033	13,640,698
NET FINANCIAL ASSETS - END OF YEAR	\$ 14,018,033	\$ 13,936,563	\$ 14,018,033

SADDLE LAKE CREE NATION
Consolidated Statement of Cash Flow
Year Ended March 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Surplus of revenues over expenditures	\$ 2,105,703	\$ 11,115,767
Items not affecting cash:		
Amortization of tangible capital assets	2,839,724	2,320,375
Advances and income to (from) government business enterprises	501,877	(261,221)
Advances and income to (from) long term investments	638,228	(476)
Loss (gain) on disposal of tangible capital assets	76,328	(1,997)
	6,161,860	13,172,448
Changes in non-cash working capital:		
Accounts receivable	(1,674,731)	(1,529,015)
Accounts payable and accrued liabilities	272,240	(72,843)
Deferred revenue and deferred trust funds	2,744,958	(4,823,796)
Deposits and prepaid expenses	113,731	(182,043)
	1,456,198	(6,607,697)
Cash flow from operating activities	7,618,058	6,564,751
FINANCING ACTIVITIES		
Proceeds from long term financing	396,990	967,182
Repayment of long term debt	(361,570)	(330,966)
Repayment of obligations under capital lease	(84,552)	(83,467)
Cash flow from (used by) financing activities	(49,132)	552,749
CAPITAL ACTIVITIES		
Acquisitions of tangible capital assets	(4,898,886)	(12,630,671)
Disposals of tangible capital assets	-	27,000
	(4,898,886)	(12,603,671)
INCREASE (DECREASE) IN CASH FLOW	2,670,040	(5,486,171)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	11,635,380	17,121,551
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 14,305,420	\$ 11,635,380

SADDLE LAKE CREE NATION

Consolidated Schedule of Total Expenses by Object

(Schedule 1)

Year Ended March 31, 2020

	Budget 2020 (Unaudited)	2020	2019
Wages and benefits	\$ 14,643,267	\$ 20,781,705	\$ 19,422,330
Child welfare operations	8,328,952	11,901,237	9,499,452
Direct social assistance	5,200,990	7,431,693	6,447,831
Travel, meetings, workshops	3,581,525	5,117,640	5,121,204
Contracted and program services	3,424,891	4,893,825	5,137,499
Repairs and maintenance	2,688,382	3,737,570	3,673,975
Materials, goods and utilities	2,542,716	3,633,286	3,778,639
Post secondary allowances and tuition	2,332,749	3,333,264	3,206,492
Office and general	2,637,330	3,475,593	3,026,478
Amortization	-	2,839,724	2,320,375
Donations, sponsorships and honorariums	627,688	896,903	928,285
Professional fees	437,089	624,557	677,593
COVID-19 expenses (Note 20)	-	257,024	-
Interest and bank charges	85,863	122,690	122,759
	\$ 46,531,442	\$ 69,046,711	\$ 63,362,912

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

1. NATURE OF THE ORGANIZATION

Saddle Lake Cree Nation ("the Nation") is committed to developing an effective governance structure to enhance the community services, culture, education, wellness and economic prosperity while retaining the Treaty Rights of Saddle Lake Cree Nation members.

These consolidated financial statements reflect the financial assets, non-financial assets, liabilities, revenues and expenses of Saddle Lake Cree Nation No. 125 and No. 125A.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established for local governments recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies observed in the preparation of the consolidated financial statements are summarized below.

Basis of consolidation

The consolidated financial statements include the accounts of the Nation and its subsidiaries:

- 544526 Alberta Ltd; and
- The Saddle Lake Wah-Koh-To-Win Society

As a result, figures as at March 31, 2020 and for the year then ended include the financial position of the subsidiary and the results of its operations for the year then ended. The results of operations of the subsidiary are included in the consolidated financial statements from the date of incorporation.

Revenue recognition

Funding received under the terms of agreements is recognized as revenue in the relevant funding period when the funding agreements are approved. Restricted contributions are recognized as revenue when the revenue is approved and the related expenditures are incurred. Restricted contributions which are not yet expended for the intended purpose are included in the consolidated statement of financial position as deferred revenue.

Income earned from oil and gas royalties in the restricted Capital and Revenue trust funds is recognized when a Band Council Resolution requesting to withdraw the amounts from the respective trust fund account is approved. Approved withdrawals which are not yet expended for the intended purpose are included in the statement of financial position as deferred trust funds. The uncommitted balance in the trust funds accounts is included in the consolidated statement of financial position as accumulated surplus.

Other revenues are recognized when persuasive evidence of an arrangement exists, delivery of goods has occurred or services have been rendered, the selling price is fixed or determinable, and collection is reasonably assured. Revenue is measured at the fair value of the consideration received.

Income from Onihcikiskowapowin Business Trust ("the Trust"), when allocated, is recognized on the accrual basis pursuant to the Trust's Trust Deed, under which 10% to 20% of the defined annual income of the Trust is distributed to the Nation as of December 31 of each year.

(continues)

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They may have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year together with the excess of revenues over expenses and the change in trust funds provides the change in net financial assets for the year.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit less cheques issued and outstanding and net of draws on the operating line of credit. On occasion, the operating line of credit is drawn upon to meet short-term cash needs.

Short term investments

Short term investments, which consist primarily of commercial paper with original maturities at date of purchase beyond three months and less than twelve months, are carried at amortized cost.

Long term investments

Long term investments are accounted for using the modified equity method. Accordingly the investments are recorded at acquisition cost and are increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and dividends received. The accounting policies of the long term investments have not been adjusted to conform with those of Saddle Lake Cree Nation and inter-entity balances are not eliminated. Inter-entity gains and losses are eliminated on assets remaining within the long term investments entities at the reporting date.

Investment in government business enterprises

The investments in government business enterprises are accounted for using the modified equity method whereby the investment is initially recorded at cost and adjusted thereafter to include the post acquisition earnings of the enterprises. The accounting policies of the government business enterprises have not been adjusted to conform with those of Saddle Lake Cree Nation and inter-entity balances are not eliminated. Inter-entity gains and losses are eliminated on assets remaining within the government reporting entities at the reporting date.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Land	N/A	non-amortizable
Buildings	4%	diminishing balance method
Automotive	30%	diminishing balance method
Computer equipment	50%	diminishing balance method
Equipment	20%	diminishing balance method
Engineering structures	4-6%	diminishing balance method
Paving and roads	20%	diminishing balance method

Tangible capital assets under construction are amortized once the assets are available for use. In the year of acquisition, half of the normal rate of available amortization is charged.

(continues)

SADDLE LAKE CREE NATION

Notes to Consolidated Financial Statements

Year Ended March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Pension expenditures

Saddle Lake Cree Nation sponsors a defined contribution pension plan for certain employees. Under the plan the Nation matches the employee's contribution of 5% of earnings. During the year the Nation contributed \$719,274 (2019 - \$697,019) to the pension plan. The employer's portion of the payment is recorded as employee benefits in the period when the benefit is earned.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Estimated life of property and equipment, collectibility of accrued receivables, if applicable, are the most significant items that involve the use of estimates. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Nation subsequently measures its financial instruments at amortized cost.

3. ACCOUNTS RECEIVABLE

	2020	2019
Accounts receivable include amounts due from the following:		
Indigenous Service Canada (ISC)	\$ 2,963,484	\$ 1,309,323
Province of Alberta	1,602,099	1,194,341
Other receivables	1,001,800	1,249,486
First Nations & Inuit Health Branch	150,033	150,033
Canada Revenue Agency	126,098	22,592
First Nations Development Fund	-	325,268
	\$ 5,843,514	\$ 4,251,043

The balance due from Indigenous Services Canada includes \$4,188 (fiscal 2019 Public Works Environmental Site Assessment – fixed contribution), \$138,139 (fiscal 2019 Community Based Initiatives - flexible contribution), \$352,533 (fiscal 2020 Community Based Initiatives – fixed contribution), \$3,411 (fiscal 2020 Basic Needs – set contribution), \$176,962 (fiscal 2020 Unit Renovation Project – fixed contribution), \$300,000 (fiscal 2020 Response – flexible contribution), \$252,637 (fiscal 2020 Operations-CFS – fixed contribution), \$1,735,614 (fiscal 2020 Maintenance – Foster Homes – fixed contribution).

4. RESTRICTED SHORT TERM INVESTMENTS

Included in restricted short term investments are \$272,324 of Guaranteed Investment Certificates which bear interest at 1.35% to 1.90% and mature in September 2020 and December 2020. These investments are held as security for the Canada Mortgage and Housing Corporation replacement reserves and the use of such investments is therefore restricted. The replacement reserve is under funded at year end as reflected in Note 14.

SADDLE LAKE CREE NATION

Notes to Consolidated Financial Statements

Year Ended March 31, 2020

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

	2020	2019
Balance beginning of year	\$ 1,483,147	\$ 1,221,926
Share of income	(501,877)	190,256
Net advances to government business enterprises	-	70,965
	\$ 981,270	\$ 1,483,147

The following is a summary of the percentage of government business enterprises owned and the related year ends of the entities. The financial information presented below is combined based on the government business enterprises' respective year ends.

	% ownership	Year end
Bison Auto Shop Ltd.	100%	March 31, 2019
Saddle Lake Building Supplies Ltd.	100%	December 31, 2019
1786228 Alberta Ltd.	100%	March 31, 2020

Unaudited aggregate balance sheet information:

Assets		
Current assets	\$ 1,567,791	\$ 2,028,292
Capital assets	2,656,536	2,852,636
Other assets	29,463	26,447
	\$ 4,253,790	\$ 4,907,375
Liabilities		
Current liabilities	\$ 535,244	\$ 475,315
Other liabilities	3,746,684	3,958,321
Equity	(28,138)	473,739
	\$ 4,253,790	\$ 4,907,375

Unaudited aggregate income statement information:

Revenue	\$ 6,399,690	\$ 7,170,494
Expenses	(6,963,111)	(7,014,528)
Net (loss) income	\$ (563,421)	\$ 155,966

6. LONG TERM INVESTMENTS

	2020	2019
Seven Lakes Oilfield Services LP	\$ 2,012,009	\$ 1,872,009
Pimee Well Servicing Ltd.	1,816,577	1,811,331
Pimee Well Servicing LP	1,729,147	1,856,067
SL Smoke Eaters LP	582,292	573,763
Keyano Pimee Exploration Company Ltd.	-	665,083
United Farmers of Alberta Equity	47,874	47,874
	\$ 6,187,899	\$ 6,826,127

During the year the investment in Keyano Pimee Exploration Company Ltd. was determined to be impaired and was written down to nil.

SADDLE LAKE CREE NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2020****7. RELATED PARTY TRANSACTIONS**

During the year, Saddle Lake Cree Nation entered into transactions with its owned entities and long term investments. These transactions are in the normal course of operations and have been recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties.

8. RESTRICTED CAPITAL AND REVENUE TRUST FUNDS

Trust funds are considered restricted assets and are controlled directly by Indigenous Service Canada (ISC). The expenditure of trust funds is limited to purposes identified in the Indian Act. Information relating to the income earned in the trust fund accounts from oil and gas royalties, leases and rentals was obtained directly from Indigenous Service Canada. The uncommitted balance at the end of the year is shown in the accumulated surplus (Note 13) as equity in trust funds.

	2020	2019
Capital trust fund		
Beginning of year	\$ 629,051	\$ 867,505
Income from royalties	153,476	161,546
Transfer to Nation programs	(257,823)	(400,000)
	524,704	629,051
Revenue trust fund		
Beginning of year	703,781	736,424
Income from royalties and interest	279,278	322,357
Transfer to Nation programs	(493,000)	(355,000)
	490,059	703,781
Total trust funds	\$ 1,014,763	\$ 1,332,832

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

9. DEFERRED REVENUE

Deferred revenue represents funding received during the year that has not been expended as at March 31, 2020.

	Opening balance	Contributions received	Revenue recognized	Ending balance
First Nations and Inuit Health Branch (FNIHB)	\$ 3,789,595	\$ 5,922,898	\$ (6,493,609)	\$ 3,218,884
Indigenous Services Canada (ISC)	2,783,939	26,790,292	(23,846,111)	5,728,120
Aboriginal Human Resource Development (AHRD)	276,649	2,156,381	(1,605,668)	827,362
First Nations Development Fund (FNDF)	250,000	250,000	(250,000)	250,000
Other	179,225	-	(179,225)	-
	\$ 7,279,408	\$ 35,119,571	\$ (32,374,613)	\$ 10,024,366

2020

First Nations and Inuit Health Branch (FNIHB)	
Q20L - Jordan's Principle	\$ 2,005,760
Q30P - Health Planning	357,469
Q211 - Building Healthy Communities	232,230
Q212 - Brighter Futures	181,251
Q22U - Service Delivery	99,333
Q216 - National Native Alcohol and Drug Abuse Program	78,348
Q22N - Community Health Representative	62,218
Q22K - Alberta Headstart on Reserve	57,577
Q01T - MHC - Traditional Healer	47,835
Q213 - Suicide Prevention	35,507
Q23X - Community Disaster Emergency	24,305
Q23Z - HIV/AIDS Prevention	22,286
Q23C - Drinking Water	14,765
	\$ 3,218,884

(continues)

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

DEFERRED REVENUE (*continued*)

<u>Indigenous Services Canada (ISC)</u>	
Q2C0 - Operations - CFS	\$ 1,274,722
Q2C3 - Prevention - Least Disruptive Measures	1,070,287
Q2BW - Community Based Initiative	628,810
Q3FO - Preparedness & Mitigation	580,338
Q3FP - Response	405,307
Q2B7 - Maintenance - Foster Homes	343,222
Q290 - Post Secondary Education	326,804
Q29T - Income Assistance - Social Assistance	297,341
Q2A6 - Special Needs	215,000
Q26G - Youth Mentorship	191,068
Q3FS - Firesmart	127,857
Q3AD - Renovations	107,775
Q29T - Income Assistance - Social Services	68,413
Q3B2 - Capital Planning	31,065
Q32L - Basic Administrative Governance	26,720
Q29T - Income Assistance - Health Care Centre	20,000
Q3H1 - Awareness Raising	11,250
Q26A - Cultural Education	2,141
	-
	\$ 5,728,120

Amounts included in AHRD, FNDF and Other deferred revenue is in accordance with their respective agreements.

SADDLE LAKE CREE NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2020****10. LONG TERM DEBT**

	2020	2019
Indigenous Services Canada Native Claim loan to assist the Nation in meeting obligations associated with research, development and negotiation of its claim relating to 1925 Surrender claim. The loan bears no interest and is to be repaid between March 31, 2022 and March 31, 2024.	\$ 496,314	\$ 310,874
TD financing bearing interest at 3.45% per annum, repayable in monthly fixed payments of \$9,882 plus interest. The loan matures on April 30, 2023 and is secured by a general security agreement.	365,645	494,114
TD credit facility bearing interest at 3.45% per annum, repayable in monthly fixed payments of \$3,526 plus interest. The facility matures on August 30, 2024 and is secured by a general security agreement.	186,869	-
Project #003 mortgage repayable to Canada Housing and Mortgage Corporation bearing interest at 1.31% per annum, repayable in monthly blended payments of \$1,911. The mortgage renews on December 1, 2021 and matures on October 1, 2026 and is secured by a ministerial guarantee.	144,585	165,476
Project #001 mortgage repayable to Canada Housing and Mortgage Corporation bearing interest at 0.94% per annum, repayable in monthly blended payments of \$2,264. The mortgage renews on September 1, 2020 and matures on April 1, 2025 and is secured by a ministerial guarantee.	134,799	160,566
BMO financing bearing interest at 6.90% per annum, repayable in monthly blended payments of \$4,360. The loan matures on October 6, 2022 and is secured by equipment with a carrying value of \$123,589.	132,907	162,277
Project #002 mortgage repayable to Canada Housing and Mortgage Corporation bearing interest at 1.14% per annum, repayable in monthly blended payments of \$1,775. The mortgage renews on June 1, 2021 and matures on May 1, 2026 and is secured by a ministerial guarantee.	126,814	146,550
TD financing bearing interest at 3.45% annum, repayable in monthly fixed payments of \$2,573 plus interest. The loan matures on October 30, 2023 and is secured by general security agreement.	110,656	144,109
BMO financing bearing interest at 6.90% per annum, repayable in monthly blended payments of \$4,360. The loan matures on October 24, 2021 and is secured by equipment with a carrying value of \$64,350.	91,300	123,441

(continues)

SADDLE LAKE CREE NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2020****10. LONG TERM DEBT (*continued*)**

	2020	2019
TD financing bearing interest at 3.45% annum, repayable in monthly fixed payments of \$858 plus interest. The loan matures on December 19, 2023 and is secured by general security agreement.	38,601	48,895
BMO financing bearing interest at 7.25% per annum, repayable in monthly blended payments of \$1,965. The loan matures on February 8, 2021 and is secured by equipment with a carrying value of \$20,133.	26,762	42,080
Ford Credit loan bearing interest at 4.89% per annum, repayable in monthly blended payments of \$901. The loan matures on June 24, 2020 and is secured by automobile equipment with a carrying value of \$9,772.	2,665	13,075
GE Capital Finance loan extinguished during the year.	-	11,040
	\$ 1,857,917	\$ 1,822,497

Principal repayment terms are approximately:

2021	\$ 392,198
2022	491,442
2023	479,165
2024	348,102
2025	88,302
Thereafter	<u>58,708</u>
	 \$ 1,857,917

Interest paid on long-term debt amounted to \$61,577 (2019 - \$65,338) during the year.

As at March 31, 2020, Saddle Lake Cree Nation has a line of credit of \$200,000 available from TD Canada Trust bearing interest at prime plus 0.75% (effective rate of 4.20% at year end). As at March 31, 2020 the loan was not drawn upon.

As at March 31, 2020, Saddle Lake Cree Nation has a revolving term credit facility with Toronto Dominion Bank with multiple drawdowns allowed bearing interest at 1.00% over the Toronto Dominion prime rate (3.45% effective rate at year end). As at March 31, 2020 the loan was drawn upon for \$701,770 (2019 - \$687,118). The facility is renegotiated annually and is collateralized as follows:

- a) General Security Agreement providing first security interest in all personal property of the Nation;
- b) guarantees of advances in the aggregate amount of \$200,000 by the Nation;
- c) authorization of Indigenous Services Canada to forward funding to TD Canada Trust;
- d) unlimited guarantees of advances from subsidiary companies;
- e) Assignment of Fire Insurance issued by the Nation.

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

11. OBLIGATIONS UNDER CAPITAL LEASE

	2020	2019
John Deere non-interest bearing lease repayable in monthly payments of \$7,126. The lease matures on June 1, 2020 and is secured by equipment which has a carrying value of \$107,126.	\$ 28,428	\$ 112,979

Future minimum capital lease payments are approximately:

Total minimum lease payments	\$ 28,504
Less: amount representing interest at various rates	<u>(77)</u>
	<u>\$ 28,427</u>

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

12. TANGIBLE CAPITAL ASSETS

COST	2019	Acquisitions	Disposals	2020
Land	\$ 647,730	\$ -	\$ -	\$ 647,730
Buildings	24,766,731	1,724,473	-	26,491,204
Engineering structures	17,145,963	277,000	-	17,422,963
Automotive	10,849,282	522,404	374,000	10,997,686
Paving and roads	1,362,015	2,295,055	-	3,657,070
Equipment	1,574,804	79,955	-	1,654,759
Computer equipment	762,814	-	-	762,814
	\$ 57,109,339	\$ 4,898,887	\$ 374,000	\$ 61,634,226

ACCUMULATED AMORTIZATION	2019	Amortization	Disposals	2020
		expense		
Land	\$ -	\$ -	\$ -	\$ -
Buildings	2,954,837	905,132	-	3,859,969
Engineering structures	5,769,423	645,179	-	6,414,602
Automotive	7,933,845	945,854	297,672	8,582,027
Paving and roads	121,314	218,365	-	339,679
Equipment	1,141,343	100,405	-	1,241,748
Computer equipment	685,190	24,790	-	709,980
	\$ 18,605,952	\$ 2,839,725	\$ 297,672	\$ 21,148,005

NET BOOK VALUE	2019	2020
Land	\$ 647,730	\$ 647,730
Buildings	21,811,894	22,631,235
Engineering structures	11,376,540	11,008,361
Automotive	2,915,437	2,415,659
Paving and roads	1,240,701	3,317,391
Equipment	433,461	413,011
Computer equipment	77,624	52,834
	\$ 38,503,387	\$ 40,486,221

Included above are Automotives held under capital lease (Note 11) with a cost of \$520,436, accumulated amortization of \$413,310 and a net book value of \$107,126.

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

13. ACCUMULATED SURPLUS

	2020	2019
Unrestricted surplus	\$ 7,850,733	\$ 8,346,996
Equity in trust funds (<i>Note 8</i>)	1,014,763	1,332,832
Equity in tangible capital assets	37,143,017	34,817,226
Equity in investments	9,215,930	8,939,755
	\$ 55,224,443	\$ 53,436,809

14. CONTINGENCIES

The Nation has provided a guarantee to SL Smoke Eaters LP in the amount of \$200,000 for a demand revolving credit facility. The general security agreement is a first charge on all present and after acquired personal property.

The Nation has provided a guarantee to Bison Auto Shop Ltd. in the amount of \$2,540,000 for a term loan. The general security agreement is a first charge on all present and after acquired personal property. The amount outstanding as of March 31, 2020 is \$2,138,240.

The Nation has been added as a defendant in a claim made against Her Majesty the Queen by another Alberta First Nation. The outcome and estimate of loss, if any, are not determinable at the report date.

The Nation is named as a defendant in ongoing legal proceedings with members of the Nation and the Canadian Human Rights Commission. The outcome and estimate of loss, if any, are not determinable as at the report date.

The Nation is named as a defendant in ongoing legal proceedings with former employees of the Nation. The total demand for the claims is \$265,347 and are currently in settlement negotiations.

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

15. NATIVE CLAIM LOAN

Indigenous Services Canada has agreed to provide Saddle Lake Cree Nation with an interim loan to assist the Nation in meeting obligations with respect to the research, development, and negotiation of its specific claim related to the 1925 Surrender Claim. Advances received in the year were \$185,440 (2019 - \$168,374) are not subject to interest on the amounts owing.

	2020	2019
Advances		
Advances received	\$ 185,440	\$ 168,374
Funding from prior year carry forward	- -	34,126 -
 Funding available	 185,440	 202,500
 Expenditures		
<u>First Nation Negotiations</u>		
Community meetings	21,150	29,831
Researcher	4,500	7,768
<u>First Nation Travel</u>		
Travel	36,090	23,186
<u>Legal</u>		
Fees, disbursements and travel	117,200	119,576
<u>Other</u>		
Administration	6,500	22,139
 Total expenditures	 185,440	 202,500
 Unspent advances, end of year	 \$ -	 \$ -

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2020

16. FINANCIAL INSTRUMENTS

The Nation is exposed to various risks through its financial instruments. The following analysis provides information about the Nation's risk exposure and concentration as of March 31, 2020. Unless otherwise noted, the Nation's risk exposure has not changed from the prior year.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Nation is exposed to credit risk from other revenue. The significant annual funding received from the Government of Canada minimizes credit risk.

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 market interest rates. The Nation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

17. SEGMENT INFORMATION

Saddle Lake Cree Nation provides a wide range of services to its members. Services are delivered through a number of different programs and departments. Identified segments are defined by Saddle Lake Cree Nation for which separate financial information is available and is evaluated regularly by Chief and Council and management in allocating resources and assessing results.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment. The accounting policies used in the segments are consistent with the accounting policies followed in the preparation of these consolidated financial statements as disclosed in Note 2.

18. BUDGET INFORMATION

The budget information for the year ended March 31, 2020 is prepared by management, approved by Chief and Council and is unaudited.

19. CONSOLIDATED SEGMENT DISCLOSURES

	2020 Fiscal Year	Human Resource	Education	Post Secondary	Social Assistance	Social Services	Child Welfare	Tribal Administration	Other Health	Health Care Centre	Other	Total
Revenue												
ISC Block Contribution funding	3,096,646	-	5,940,317	3,520,100	10,614,662	230,106	1,925,109	-	-	574,882	-	25,902,023
ISC Fixed Contribution funding	1,475,971	-	2,368,468	443,590	239,186	-	15,223,408	553,468	-	-	-	20,064,905
ISC Set Contribution funding	-	-	-	-	-	-	1,519,331	-	-	-	-	1,858,173
ISC Flexible Contribution funding	-	-	-	-	-	-	-	425,000	-	-	-	-
Fins Nation and Fins Health Branch (FNHB)	3,672,873	-	523,239	342,115	-	-	55,539	115,047	2,116,911	-	8,756,597	-
Other Revenue	2,169,897	523,239	42,906	124,558	-	-	-	2,799,296	-	-	5,637	-
Province of Alberta	773,750	2,165,381	-	-	-	-	-	-	-	-	110,000	-
AHDH/RDC Revenue	-	-	-	-	-	-	-	-	-	-	-	2,280,339
First Nation Development Fund (FNDF)	-	-	-	-	-	-	-	-	-	-	-	1,209,051
Child Tax Benefit	-	-	-	-	-	-	-	-	-	-	-	468,231
Capital Trust funds	287,823	-	-	-	-	-	-	-	-	-	-	257,823
Revenue Trust funds	100,000	-	-	-	-	-	-	-	-	-	-	493,000
Canada Mortgage and Housing Corporation (CMHC)	325,692	(556,714)	310,020	(63,032)	(449,338)	231,590	(1,460,025)	(909,320)	-	-	561,465	-
Net contributions carried forward	(415,743)	-	-	-	(49,458)	-	-	-	-	-	-	(2,744,057)
(Lapsed) recovered funding	-	-	-	-	-	-	-	-	-	-	-	(49,158)
Property Tax Revenue	-	-	-	-	-	-	-	-	-	-	-	410,390
Fuel and Tobacco	-	-	-	-	-	-	-	-	-	-	-	309,423
Income allocation from Onibokisikowayowin Business Trust	-	-	-	-	-	-	-	-	-	-	-	82,260
Income from gain or loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	(501,877)
Income from Government Business Enterprises	-	-	-	-	-	-	-	-	-	-	-	36,084
Loss on impairment of investment	-	-	-	-	-	-	-	-	-	-	-	36,556
Total Revenue	11,476,907	2,171,812	9,086,380	3,900,598	10,354,552	518,237	18,765,188	6,435,034	102,097	10,054,581	(1,124,173)	72,482,623
Expenses												
Wages and benefits	2,283,441	401,073	6,995,439	193,784	803,666	700,307	2,582,756	3,726,446	-	-	-	3,236,846
Contracted and program services	1,686,012	23	738,170	114,249	16,650	31,180	47,230	1,068,306	1,580,723	-	-	20,923,757
Professional fees	65,800	35,080	24,003	14,584	640,477	147,36	14,767	185,033	193,660	-	-	5,553,590
Materials, goods and utilities	519,225	-	-	37,332	245,258	6,643	40,972	82,069	186,127	-	-	621,557
Amortization of tangible capital assets	1,989,049	-	-	580,169	8,800	2,962,196	1,320	47,252	97,079	44,441	-	3,425,029
Post secondary allowances and tuition	2,022,326	-	29,653	54,450	12,666	32,656	335,323	1,862,927	24,079	1,917	-	2,839,724
Repairs and maintenance	111,953	68,877	169,949	119,376	334,959	193,232	1,944,988	2,176,119	-	-	-	151,165
Travel, Meetings, Workshops	641,119	101,715	442,610	68,806	6,050	61,971	28,539	302,673	516,725	4,743	-	1,265,830
Office and general expenses	26,285	8,473	8,766	335	1,663	1,222	200	79,159	686,985	37,813	-	129,781
Donations, sponsorships and honorariums	43,906	-	32,915	1,982	-	-	1,820	2	38,014	1,173	-	881,175
Automotive	326,569	7,836	168,915	-	-	-	-	15,155	16,631	-	-	122,980
Rent	877	-	3,439	-	-	-	-	-	15,487	-	-	69,1916
Advertising	-	-	-	-	-	-	-	-	3,356	3,500	-	15,364
Child welfare maintenance	-	-	-	-	-	-	-	-	9,339,864	-	-	10,295
Direct social assistance	50,391	-	-	-	-	-	7,431,693	80,132	540,900	125,105	-	9,940,174
Covid	65,332	1,284,678	251,559	277,998	98,378	80,132	10,410	280,616	43,508	22,741	-	8,052,725
Other	9,812,275	10,244,231	3,770,093	8,801,386	146,500	16,991,006	8,602,151	162,519	791,349	1,778,446	-	307,024
Total Expenses	9,812,275	1,284,678	251,559	277,998	98,378	146,500	16,991,006	8,602,151	162,519	791,349	1,778,446	69,635,508
Surplus (Deficit) before transfers	1,664,631	887,134	(1,157,951)	130,505	1,553,066	(949,263)	1,174,182	(2,167,117)	(60,421)	1,554,914	(1,124,173)	2,105,703
Transfers												
Office rent	254,178	12,800	(9,676)	-	-	(9,676)	(36,375)	(15,544)	(105,323)	(90,084)	-	-
CCTB Transfers	165,000	-	110,000	10,175	(32,000)	-	(85,945)	108,462	-	155,000	-	50,000
WOP Transfers	24,663	(23,000)	-	-	(5,000)	-	(9,000)	(12,000)	-	43,544	-	1,830
Accounting fee	-	-	-	-	-	-	-	-	(30,000)	172,000	-	(45,000)
Administration fee	-	-	-	-	-	-	-	-	(180,000)	205,000	-	(25,000)
Hamperation	-	-	-	-	-	-	-	-	(10,000)	-	-	(10,000)
Transfer from Post Secondary	-	-	-	-	-	-	-	-	-	61,553	-	-
Transfer to Health	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Education	7,642	-	-	(7,642)	-	-	-	-	-	-	-	(476,100)
Transfer from Social Assistance and Social Services	1,130	-	-	(325,882)	1,000	-	(5,000)	(21,300)	-	-	-	-
Transfer to Child Welfare	-	-	-	-	385,894	(60,012)	-	-	-	25,000	-	-
Transfer to Education	-	-	-	-	-	-	-	-	-	628,810	-	-
Transfer from Health	9,500	-	(162,945)	(10,342)	-	-	-	-	-	100,000	-	-
Transfer to Public Works	6,050	-	-	-	-	-	-	-	(775)	156,885	-	(100,000)
Transfer to Administration	528,922	-	-	-	-	-	-	-	(518,580)	-	-	(8,125)
Indian Residential Schools - Transfer to Tribal Administration	-	974,255	(488,027)	918,509	(145,241)	949,263	(956,026)	919,338	-	1,830	-	(612,995)
Total Transfers	2,638,886	398,107	(239,342)	(14,735)	-	-	(318,074)	(1,247,779)	(58,591)	941,918	(1,124,173)	2,105,703
Surplus (Deficit) after transfers	2,638,886	398,107	(239,342)	(14,735)	-	-	(318,074)	(1,247,779)	(58,591)	941,918	(1,124,173)	2,105,703

Whitefish Lake Band No. 128
Consolidated Financial Statements
March 31, 2020

Whitefish Lake Band No. 128

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of **Whitefish Lake First Nation No. 128** are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Whitefish Lake Band No. 128 maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that Whitefish Lake Band No. 128's assets are appropriately accounted for and adequately safeguarded.

Whitefish Lake Band No. 128 is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The consolidated financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members. Doyle & Company have full and free access to the Council.

Original Signed by _____ Chief

Original Signed by _____ Councilor

Original Signed by _____ Councilor

Original Signed by _____ Councilor

DOYLE & COMPANY
CHARTERED PROFESSIONAL
ACCOUNTANTS

Allan J. Grykuliak, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
*Operates as a professional Corporation

11210 – 107 Avenue N.W.
Edmonton, Alberta T5H 0Y1
Tel (780) 452-2300, Fax (780) 452-2335

INDEPENDENT AUDITORS' REPORT

To the Chief and Council

Opinion

We have audited the consolidated financial statements of **Whitefish Lake First Nation No. 128** (the Nation), which comprise the consolidated statement of financial position as at March 31, 2020, and the results of its operations, changes in its net financial assets and cash flows for the years 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 Whitefish Lake First Nation No. 128 as at March 31, 2020, the results of its operations, changes in its 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 relating to going concern and using the going concern basis of accounting unless management either intends 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.

Auditor's Responsibility 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

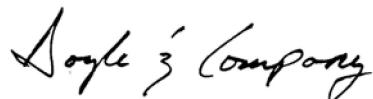
INDEPENDENT AUDITORS' REPORT - continued

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Scott Mockford, CPA, CA.



11210 - 107 Avenue NW
Edmonton, Alberta
T5H 0Y1

June 25, 2020

Chartered Professional Accountants

Whitefish Lake Band No. 128
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	3,473,691	1,088,400
Restricted cash (Note 3)	1,121,500	1,249,372
Investments (Note 4)	40,200	40,200
Accounts receivable (Note 5)	3,293,757	1,602,432
	7,929,148	3,980,404
LIABILITIES		
Line of credit (Note 6)	200,000	450,000
Accounts payable (Note 7)	1,638,884	2,172,439
Deferred contributions - Own Source (Note 8)	2,459,473	2,146,341
Deferred contributions - Funding (Note 9)	6,604,313	1,851,401
Obligations Under Capital Lease (Note 10)	380,943	676,040
Long-term liabilities (Note 11)	125,087	413,860
	11,408,700	7,710,081
NET FINANCIAL DEBT	(3,479,552)	(3,729,677)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	27,600,392	25,770,217
ACCUMULATED SURPLUS (Schedule 1 and Note 14)	24,120,840	22,040,540

Approved by the Band:

Original Signed by _____ Chief Original Signed by _____ Councilor

Original Signed by _____ Councilor Original Signed by _____ Councilor

Whitefish Lake Band No. 128
Consolidated Statement of Financial Activities
For the year ended March 31, 2020

	2020 Budget \$	2020 Actual \$	2019 Actual \$
REVENUE			
Indigenous Services Canada	11,497,216	13,694,631	11,568,195
Trust Funds			
Revenue	-	302,988	400,000
First Nation Development Fund	685,000	664,552	745,830
Health Canada	2,448,447	2,448,447	2,221,346
Tribal Chiefs Employment and Training	1,165,338	1,655,383	1,834,250
Canada Housing and Mortgage Corporation	-	-	26,630
Other revenue	2,240,239	3,779,594	3,827,885
Revenue deferred from previous period	2,325,089	3,997,742	3,302,842
Revenue deferred to subsequent period	-	(9,063,785)	(3,997,742)
	20,361,329	17,479,552	19,929,236
EXPENDITURES			
Administration	1,373,626	1,939,089	1,986,145
Chief and Council	561,654	548,194	370,024
Consultation and IBA	392,320	586,949	384,306
Daycare Centre	318,042	532,786	313,128
Economic Development	-	18,020	48,300
Education - Administration	378,522	761,185	1,037,773
Education - Bussing	512,546	606,972	517,013
Education - Post-Secondary	1,058,345	1,101,624	812,801
Education - School	2,515,342	2,818,441	2,430,656
Enhanced delivery	450,441	333,917	379,064
Health Services	2,035,761	2,371,795	2,001,395
Housing	1,003,735	1,004,093	1,135,909
Public Works	1,397,667	2,451,180	1,359,571
Recreation	1,060,769	512,033	842,146
Royal Bank Agency	45,140	52,586	109,061
Social Services	2,439,636	3,003,494	2,508,018
Social Services - Delivery	652,837	579,392	630,350
Tribal Chiefs Employment and Training	368,036	434,344	406,286
Labour Market Strategy	-	72,182	-
Jordan's Principle	-	190,999	56,152
	16,564,419	19,919,275	17,328,098
Excess of Revenue Over Expenditures			
Before Other Revenue (Expenditures)	3,796,910	(2,439,723)	2,601,138
Other Revenue (Expenditures)			
Indigenous Services Canada - capital funding	6,761,179	6,761,179	4,680,552
Amortization	-	(2,113,284)	(1,959,124)
EXCESS OF REVENUE OVER EXPENDITURES	10,558,089	2,208,172	5,322,566

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2020

	2020	2019
	\$	\$
EXCESS OF REVENUE OVER EXPENDITURES	2,383,288	5,533,355
Acquisition of tangible capital assets	(3,943,459)	(6,779,841)
Amortization of tangible capital assets	2,113,284	1,959,124
Trust funds used for operations	(302,988)	(400,000)
	(2,133,163)	(5,220,717)
Use of prepaid assets	-	133,590
DECREASE IN NET FINANCIAL DEBT	250,125	446,228
NET FINANCIAL DEBT, BEGINNING OF YEAR	(3,729,677)	(4,175,905)
NET FINANCIAL DEBT, END OF YEAR	(3,479,552)	(3,729,677)

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and other income	22,549,406	19,359,355
Cash paid to suppliers and employees	(15,136,786)	(14,748,458)
	7,412,620	4,610,897
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term liabilities	(833,870)	(1,108,469)
Short-term liabilities obtained	-	250,000
Long-term liabilities obtained	-	190,863
	(833,870)	(667,606)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(3,943,459)	(6,779,841)
INCREASE (DECREASE) IN CASH		
	2,635,291	(2,836,550)
CASH, BEGINNING OF YEAR	638,400	3,474,950
CASH, END OF YEAR	3,273,691	638,400
 Bank indebtedness consists of the following:		
Cash	3,473,691	1,088,400
Line of credit	(200,000)	(450,000)
	3,273,691	638,400

Whitefish Lake Band No. 128
Schedule of Changes in Accumulated Surplus - Schedule 1
For the year ended March 31, 2020

	Unrestricted Surplus \$	Equity in Tangible Capital Assets \$	Equity in Trust Funds \$	2020 \$	2019 \$
Balance, Beginning of Year	(3,889,149)	24,680,317	1,249,372	22,040,540	16,907,185
Excess of revenue over expenditures	2,208,172	-	175,116	2,383,288	5,533,355
Restricted funds used for operations	-	-	(302,988)	(302,988)	(400,000)
Current years funds used for tangible capital assets	(3,943,459)	3,943,459	-	-	-
Annual amortization expense	2,113,284	(2,113,284)	-	-	-
Long-term liabilities repaid	(583,870)	583,870	-	-	-
Change in accumulated surplus	(205,873)	2,414,045	(127,872)	2,080,300	5,133,355
Balance, End of Year	(4,095,022)	27,094,362	1,121,500	24,120,840	22,040,540

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128
Consolidated Statement of Tangible Capital Assets - Schedule 2
For the year ended March 31, 2020

	Automotive and Equip. \$	Buildings & Housing \$	Furniture and Equip. \$	Engineered Structures \$	2020 \$	2019 \$
COST:						
Balance, Beginning of Year	10,273,215	30,762,168	143,025	21,248,581	62,426,989	55,647,148
Acquisition of tangible capital assets	352,873	418,836	-	3,171,750	3,943,459	6,779,841
Balance, End of Year	10,626,088	31,181,004	143,025	24,420,331	66,370,448	62,426,989
ACCUMULATED AMORTIZATION:						
Balance, Beginning of Year	8,685,110	23,625,470	127,505	4,218,687	36,656,772	34,697,648
Annual amortization	528,613	650,779	3,104	930,788	2,113,284	1,959,124
Balance, End of Year	9,213,723	24,276,249	130,609	5,149,475	38,770,056	36,656,772
NET BOOK VALUE	1,412,365	6,904,755	12,416	19,270,856	27,600,392	25,770,217

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128
Consolidated Statement of Financial Activities by Program - Schedule 3
For the year ended March 31, 2020

	ISC Revenue \$	Trust Funds \$	Other Revenue \$	Total Revenue \$	Total Expenditures \$	Surplus (Deficit) \$	2019 Surplus (Deficit) \$
Administration	997,406	302,988	1,711,541	3,011,935	1,939,089	1,072,846	1,128,834
Chief and Council	-	-	-	-	548,194	(548,194)	(273,012)
Consultation and IBA	-	-	661,948	661,948	586,949	74,999	88,572
Daycare Centre	81,000	-	464,345	545,345	532,786	12,559	(23,910)
Economic Development	160,258	-	-	160,258	18,020	142,238	111,958
Education - Administration	190,931	-	565,409	756,340	761,185	(4,845)	46,010
Education - Bussing	280,527	-	750	281,277	606,972	(325,695)	43,944
Education - Post Secondary	1,168,636	-	6,431	1,175,067	1,101,624	73,443	266,580
Education - School	3,389,780	-	(158,366)	3,231,414	2,818,441	412,973	264,192
Enhanced Delivery	-	-	335,312	335,312	333,917	1,395	49,237
Health Services	-	-	2,509,759	2,509,759	2,371,795	137,964	118,445
Housing	718,853	-	577,960	1,296,813	1,004,093	292,720	1,044,919
Public Works	9,993,649	-	(4,527,456)	5,466,193	2,451,180	3,015,013	4,611,463
Recreation	-	-	444,378	444,378	512,033	(67,655)	(99,997)
Royal Bank Agency	-	-	8,357	8,357	52,586	(44,229)	(109,061)
Social Services	2,375,504	-	706,864	3,082,368	3,003,494	78,874	29,257
Social Services - Delivery	566,519	-	12,615	579,134	579,392	(258)	(15,741)
Tribal Chiefs Employment and Training	-	-	431,652	431,652	434,344	(2,692)	-
Labour Market Strategy	-	-	72,182	72,182	72,182	-	-
Jordan's Principle	-	-	190,999	190,999	190,999	-	-
	19,923,063	302,988	4,014,680	24,240,731	19,919,275	4,321,456	7,281,690

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128
Consolidated Statement of Expenditures by Object - Schedule 4
For the year ended March 31, 2020

	2020	2019
	\$	\$
EXPENDITURES		
Advertising	5,240	1,779
Building maintenance and utilities	698,129	548,138
Equipment	841,470	7,870
Insurance	211,006	188,100
Interest, bank charges and loan payments	41,683	69,269
Materials and supplies	288,524	113,692
Repairs and maintenance	19,533	868,199
Professional fees	1,972,249	1,380,088
Program costs	4,536,278	3,869,089
Training	1,279,253	1,413,767
Travel	990,028	910,930
Vehicle	1,404,233	1,548,676
Wages and employee benefits	7,631,649	6,408,501
TOTAL EXPENDITURES	19,919,275	17,328,098

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128

Notes to the Consolidated Financial Statements

March 31, 2020

NATURE OF OPERATIONS

Whitefish Lake Band No. 128 provides local government, education and social development services to its members and was established under the Indian Act (Canada)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government, as established by the Public Sector Accounting and Audit Boards ("PSAB"), which encompasses the following principles:

(a) Fund Accounting

The Whitefish Lake Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Whitefish Lake Band maintains the following funds:

- The Operating Fund which reports the general activities of the Band Administration.
- The Tangible Capital Assets Fund which reports the capital assets of the Band, together with their related financing.
- The Trust Fund which reports the trust funds owned by the Band and held by third parties.

(b) Cash and Cash Equivalents

Cash and cash equivalents consists of bank accounts and temporary investments with maturities of one year or less.

(c) Investments

Investments are recorded at fair market value.

(d) Revenue Recognition

Government transfers and grant revenue are recognized as the First Nations becomes entitled to the funding under the terms of applicable funding agreements and are recorded in the period in which the resources are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Other revenue, including rent and lease revenue, sales of goods and provision of services are recognized in the period the goods or services are provided and the related proceeds are received or receivable.

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2020

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

(e) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a declining balance basis over the estimated useful life as follows:

Buildings	10%
Furniture and equipment	20%
Automotive and construction equipment	30%

(f) Trust Funds

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

First Nation trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds.

(g) Financial Instruments

The Band initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities, other than investments, at amortized cost. The financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. Investments are recorded at fair value.

The Band risk exposures related to its financial instruments are outlined as follows:

Credit Risk

The Band is exposed to credit risk to the extent of non-collection of accounts receivable and loans to Band members. Management is of the opinion that the risk of non-collection of accounts receivable is low since the majority of accounts receivable are from the Government of Canada.

Whitefish Lake Band No. 128

Notes to the Consolidated Financial Statements

March 31, 2020

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Financial Instruments

Market Risk

The Band is exposed to risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency Risk

The Band is exposed to risk that the fair value of financial instruments or future cash flows associated with the instrument will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

Interest Rate Risk

The Band is exposed to risk that the fair value of financial instruments or future cash flows associated with the instrument will fluctuate due to changes in market interest rates.

(h) 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) Landfill Closure and Post-Closure Liability

The Alberta Environmental Protection and Enhancement Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is being provided for over the estimated remaining life of the landfill site based on usage.

The liability at March 31, 2020 is \$240,000 (2019 - \$220,000) and represents the present value of closure and post-closure costs. Closure will involve covering the site with topsoil and vegetation, and installing groundwater monitoring wells. Post-closure care activities are expected to occur for 25 years and will involve surface and ground water monitoring, and landfill cover maintenance. Whitefish Lake Band has started to designate assets for settling closure and post-closure care liabilities.

2. ECONOMIC DEPENDENCE

The Whitefish Lake Band receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada.

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2020

3. RESTRICTED CASH

	2020	2019
	\$	\$
Trust Funds		
Band Capital	630,094	570,023
Band Revenue	491,406	679,349
	1,121,500	1,249,372

4. INVESTMENTS

Investment includes shares of UFA.

5. ACCOUNTS RECEIVABLE

	2020	2019
	\$	\$
Indigenous Services Canada	2,619,231	235,191
Government of Alberta - Consultation	122,250	90,000
Canada Mortgage Housing Corporation	103,700	103,700
Health Canada	-	272,915
First Nation Development Fund	-	178,782
Goods and Services Tax	33,039	96,395
Tribal Chief Ventures	215,322	324,803
Goodfish Lake Community Development Trust	-	200,000
Other	200,215	100,646
	3,293,757	1,602,432

6. LINE OF CREDIT

The Band has a revolving line of credit with the Royal Bank authorized to a maximum of \$1,300,000 due on demand, bears interest at Prime plus 2.8% and is secured by a general security agreement. There is a \$ Nil (2019 - \$250,000) balance outstanding on this line of credit.

The Band has a second revolving line of credit with the Royal Bank authorized to a maximum of \$250,000, due on demand, bears interest at Prime plus 2.8% and is secured by a general security agreement. There is \$200,000 (2019 - \$200,000) balance outstanding on this line of credit.

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2020

7. ACCOUNTS PAYABLE

	2020	2019
	\$	\$
Trade payables	1,031,953	1,576,313
Payable to related entities	57,755	50,700
Landfill closure costs	240,000	220,000
<u>Wages, salaries and source deductions</u>	<u>309,176</u>	<u>325,426</u>
	1,638,884	2,172,439

Payable to related entities are non-interest bearing and have no fixed terms of repayment.

8. DEFERRED CONTRIBUTIONS - Own Source

	2020	2019
	\$	\$
Consultation and IBA		
Impact Benefit Agreements (IBA)	1,659,463	1,346,341
Goodfish Business Corporation	800,010	800,000
	2,459,473	2,146,341

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2020

9. DEFERRED CONTRIBUTIONS - Government Funding

	2020	2019
	\$	\$
Consultation and IBA		
Government of Alberta	210,220	-
Daycare Centre		
Tribal Chiefs	-	125,726
Education - Administration		
ISC - Fixed - Skill Link	-	30,041
Building Collaboration and Capacity in Education - BCCE	225,277	65,406
IFNE - Innovation in First Nation Education	-	378,752
Education - School		
ISC - Community Education	200,000	-
Health Services		
Health Canada	81,834	132,645
Housing		
ISC - Capital project - housing policies	57,855	-
Rental	32,900	-
Canada Mortgage and Housing Corporation - CMHC	-	29,029
Government of Alberta	-	60,000
Public Works		
ISC - Capital project - roads	1,213,157	137,492
ISC - Capital project - waterline	4,133,383	507,893
ISC - Capital project - waste measures	-	55,000
ISC - Emergency Response - Repairs	101,287	-
ISC - Emergency Response - Cleaning	21,492	-
ISC - Emergency Response - Corona 2020	11,364	-
ISC - Core Area Water Line & Truck Fill	79,944	-
Tribal Chief Ventures - Emergency Response - Corona 2020	19,000	-
Recreation Facilities and Healthy Living		
First Nation Development Fund	-	111,543
Social Services		
ISC - Community Well Being	-	127,997
Youth Skills Initiative		
Alberta Government funding	-	23,302
Jordan's Principle		
Tribal Chief Ventures	216,599	66,574
	6,604,313	1,851,401

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2020

10. OBLIGATIONS UNDER CAPITAL LEASE

	2020				2019
	Total	Deferred Finance	Current Portion	Long-Term Portion	Total
	\$	\$	\$	\$	\$
Royal Bank - Leasing (Grader)	-	-	-	-	145,689
Royal Bank - Leasing (Buses)	66,699	1,932	45,342	19,425	113,778
Daimler Truck Financial (Water Truck)	80,543	3,223	43,681	33,639	127,047
Daimler Truck Financial (Water Truck)	91,384	5,714	32,985	52,685	134,706
<u>Daimler Truck Financial (Water Truck)</u>	<u>170,679</u>	<u>17,493</u>	<u>40,379</u>	<u>112,807</u>	<u>219,072</u>
	409,305	28,362	162,387	218,556	521,220

The loan payable to the Royal Bank - Leasing (Buses) is due August, 2021 and is repayable in monthly installments of \$3,923, including interest charged at 3.93% and is secured by equipment with a net book value of \$62,216.

The loan payable to the Daimler Truck Financial (Water Truck) is due December, 2021 and is repayable in monthly installments of \$3,856, including interest charged at 4.50% and is secured by equipment with a net book value of \$66,032.

The loan payable to the Daimler Truck Financial (Water Truck) is due September, 2022 and is repayable in monthly installments of \$3,048, including interest charged at 4.99% and is secured by equipment with a net book value of \$74,441.

The loan payable to the Daimler Truck Financial (Water Truck) is due September, 2023 and is repayable in monthly installments of \$4,057, including interest charged at 6.17% and is secured by equipment with a net book value of \$136,249.

Interest paid on obligations under capital lease was \$80,954 (2019 - \$31,794)

Future lease payments on obligations under capital lease are estimated as follows:

	\$
2021	203,128
2022	139,215
2023	66,962
	409,305

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2020

11. LONG-TERM LIABILITIES

	2020	2019
	\$	\$
The loan payable to the Royal Bank is repayable in monthly installments of \$25,249 including interest charged at 5.0% and is secured by a general security agreement. Debt consolidation loan.	125,087	413,860
Interest paid on long-term liabilities was \$14,215 (2019 - \$28,524)		
Future minimum principal repayments required to meet existing obligations are as follows:		
	\$	
2021	125,087	

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	2020	2019
	\$	\$
Tangible capital assets (Schedule 2)	66,370,448	62,426,989
Accumulated amortization (Schedule 2)	(38,770,056)	(36,656,772)
Obligations under capital lease (Note 10)	(380,943)	(676,040)
Long-term liabilities (Note 11)	(125,087)	(413,860)
	27,094,362	24,680,317

Whitefish Lake Band No. 128
Notes to the Consolidated Financial Statements
March 31, 2020

13. EQUITY IN TRUST FUND

	Capital \$	Revenue \$	Total \$
Balance, beginning of year	570,023	679,349	1,249,372
Interest	60,071	115,045	175,116
	630,094	794,394	1,424,488

BCR NUMBER	DATES FUNDS RELEASED	PURPOSE OF EXPENDITURE			
011-2019-2020	2020/02/04	RBC Debt Repayment	-	302,988	302,988
				630,094	491,406
					1,121,500

14. ACCUMULATED SURPLUS

	2020 \$	2019 \$
Unrestricted surplus	(4,095,022)	(3,889,149)
Equity in tangible capital assets	27,094,362	24,680,317
Equity in trust funds	1,121,500	1,249,372
	24,120,840	22,040,540

15. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic. The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The overall effect of these events on the Band and its operations is too uncertain to be estimated at this time. As a result, we are unable to estimate the potential impact on the Band's operations as at the date of these financial statements.