

**SADDLE LAKE CREE NATION  
Consolidated Financial Statements  
Year Ended March 31, 2022**

**SADDLE LAKE CREE NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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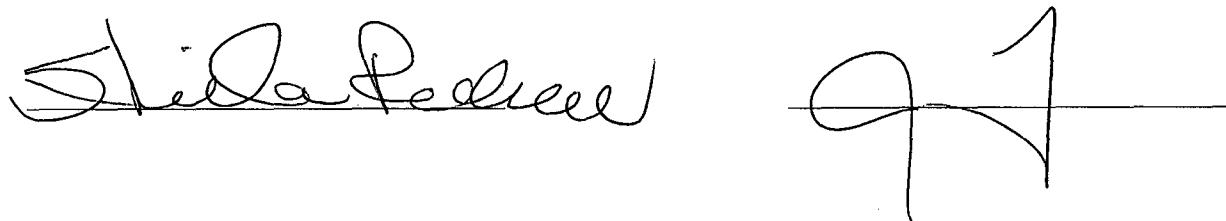
The consolidated financial statements of Saddle Lake Cree Nation have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain 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 satisfy 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 (PSAS).



The image shows two handwritten signatures. The first signature on the left is "Saddle Lake Cree Nation" in a cursive script. The second signature on the right is "Kingston Ross Pasnak LLP" in a cursive script. Both signatures are placed above a horizontal line.

Saddle Lake, AB  
September 12, 2022



KINGSTON  
ROSS  
PASNAK LLP

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September 12, 2022  
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, 2022, and the consolidated statements of revenues and expenditures and accumulated surplus, changes in net financial assets and cash flow for the year then ended, 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 consolidated financial position of the Nation as at March 31, 2022, and the consolidated results of its operations and consolidated cash flow for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### **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, 2022 and March 31, 2021. 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, 2022 and March 31, 2021 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, 2021 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 ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 PSAS, 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.

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

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

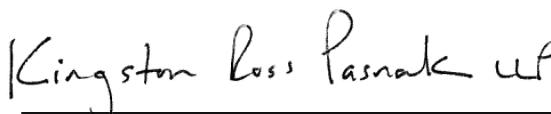
### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Nation's 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.

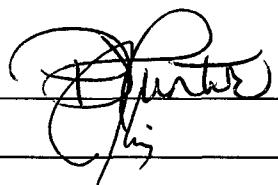
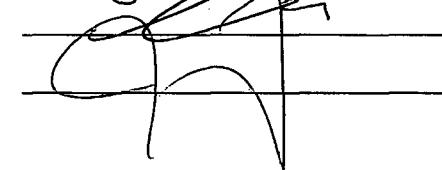


**Kingston Ross Pasnak LLP**  
Chartered Professional Accountants

**SADDLE LAKE CREE NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 55,470,022	\$ 36,296,642
Accounts receivable (Note 3)	6,008,796	4,786,747
Restricted short term investments (Note 4)	291,322	291,322
Investment in government business enterprises (Note 5)	1,710,068	1,913,744
Long term investments (Note 6)	6,766,864	6,660,792
Restricted capital trust funds (Note 8)	475,340	675,340
Restricted revenue trust funds (Note 8)	370,590	406,709
	<b>71,093,002</b>	51,031,296
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	5,949,043	4,807,535
Deferred revenue (Note 9)	44,689,161	27,164,584
Long term debt (Note 10)	7,415,363	2,830,944
Obligations under capital lease (Note 11)	333,691	425,459
	<b>58,387,258</b>	35,228,522
<b>CONTINGENCIES (Note 14)</b>		
<b>NET FINANCIAL ASSETS</b>	<b>12,705,744</b>	15,802,774
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 12)	49,596,017	45,320,630
Deposits and prepaid expenses	575,132	509,461
	<b>50,171,149</b>	45,830,091
<b>ACCUMULATED SURPLUS (Note 14)</b>	<b>\$ 62,876,893</b>	\$ 61,632,864

**ON BEHALF OF THE NATION**

  
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 Councilor \_\_\_\_\_ Councilor \_\_\_\_\_  
  
 Councilor \_\_\_\_\_ Councilor \_\_\_\_\_  
  
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**SADDLE LAKE CREE NATION**

**Consolidated Statement of Revenues and Expenditures and Accumulated Surplus**

**For the Year Ended March 31, 2022**

	Budget 2022	2022	2021
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ 47,346,879	\$ <b>75,839,468</b>	\$ 65,130,525
Indigenous Services Canada - Health	7,018,912	<b>14,805,412</b>	13,647,732
Province of Alberta	350,000	<b>5,164,865</b>	3,517,716
Other revenue	2,073,969	<b>3,904,183</b>	4,826,707
Indigenous Skills and Employment Training Program (ISETP)	1,661,800	<b>3,104,059</b>	2,278,097
First Nations Development Fund (FNDF)	62,822	<b>1,432,890</b>	733,216
Child Tax Benefit	300,000	<b>663,615</b>	509,699
Canada Mortgage and Housing Corporation (CMHC)	-	<b>533,309</b>	101,403
Youth Employment and Skills Strategy (YESS)	-	<b>439,307</b>	-
Capital trust funds ( <i>Note 8</i> )	-	<b>200,000</b>	-
Revenue trust funds ( <i>Note 8</i> )	615,605	<b>50,000</b>	350,000
Lapsed funding	-	<b>(14,703)</b>	(15,250)
Contributions carried forward from prior year ( <i>Note 9</i> )	385,588	<b>27,164,584</b>	10,024,366
Contributions carried forward to next year ( <i>Note 9</i> )	-	<b>(44,689,161)</b>	(27,164,584)
	59,815,575	<b>88,597,828</b>	73,939,627
<b>EXPENDITURES</b>			
Child Welfare	12,751,692	<b>21,873,183</b>	17,241,678
Public Works	11,359,190	<b>14,536,083</b>	11,109,657
Tribal Administration	5,044,716	<b>14,027,176</b>	9,326,725
Health Services	6,978,958	<b>11,806,965</b>	8,764,327
Education	9,802,787	<b>9,434,831</b>	8,906,855
Social Assistance	11,243,993	<b>8,387,084</b>	7,245,626
Post Secondary Education	4,129,330	<b>3,766,120</b>	3,630,420
Employment and Training Services	1,661,800	<b>1,590,541</b>	1,375,587
Social Services	1,763,119	<b>1,544,885</b>	1,299,275
Other Health	-	<b>72,951</b>	75,354
	64,735,585	<b>87,039,819</b>	68,975,504
<b>SURPLUS FROM OPERATIONS</b>	(4,920,010)	<b>1,558,009</b>	4,964,123
<b>OTHER INCOME (EXPENSES)</b>			
Income from long term investments ( <i>Note 6</i> )	-	<b>106,072</b>	472,893
Income distribution from Onihcikiskowapowin Business Trust	-	<b>18,138</b>	7,489
(Loss) income from Government Business Enterprises ( <i>Note 5</i> )	-	<b>(202,071)</b>	866,470
Income on disposal of tangible capital asset	-	-	30,160
	-	<b>(77,861)</b>	1,377,012
<b>SURPLUS OF REVENUES OVER EXPENDITURES</b>	(4,920,010)	<b>1,480,148</b>	6,341,135

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**SADDLE LAKE CREE NATION****Consolidated Statement of Revenues and Expenditures and Accumulated Surplus***(continued)***For the Year Ended March 31, 2022**

	Budget 2022	<b>2022</b>	2021
ACCUMULATED SURPLUS - BEGINNING OF YEAR	61,632,864	<b>61,632,864</b>	55,224,443
Net change in trust funds	-	<b>(236,119)</b>	67,286
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 56,712,854</b>	<b>\$ 62,876,893</b>	<b>\$ 61,632,864</b>

**SADDLE LAKE CREE NATION****Consolidated Statement of Changes in Net Financial Assets****Year Ended March 31, 2022**

	Budget 2022	2022	2021
<b>SURPLUS OF REVENUES OVER EXPENDITURES</b>	\$ (4,920,010)	\$ 1,480,148	\$ 6,341,135
Acquisition of tangible capital assets	-	(7,977,499)	(8,435,722)
Disposal of tangible capital assets	-	-	4,840
Amortization of tangible capital assets	-	3,702,112	3,596,472
Increase in deposits and prepaid expenses	-	(65,672)	292,199
Net change in trust funds	-	(236,119)	67,286
	-	(4,577,178)	(4,474,925)
<b>(DECREASE) INCREASE NET FINANCIAL ASSETS</b>	(4,920,010)	(3,097,030)	1,866,210
Net financial assets - beginning of year	15,802,774	<b>15,802,774</b>	13,936,564
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 10,882,764	<b>\$ 12,705,744</b>	\$ 15,802,774

**SADDLE LAKE CREE NATION**  
**Consolidated Statement of Cash Flow**  
**Year Ended March 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Surplus of revenues over expenditures	\$ 1,480,148	\$ 6,341,135
Items not affecting cash:		
Amortization of tangible capital assets	3,702,112	3,596,472
Advances and income (from) to government business enterprises	203,676	(932,474)
Income from long term investments	(106,072)	(472,893)
Gain on disposal of tangible capital assets	-	(30,160)
Interest income	-	(18,998)
	<b>5,279,864</b>	8,483,082
Changes in non-cash working capital:		
Accounts receivable	(1,222,048)	1,139,028
Accounts payable and accrued liabilities	1,141,508	1,967,359
Deferred revenue	17,524,577	17,140,218
Deposits and prepaid expenses	(65,672)	292,196
	<b>17,378,365</b>	20,538,801
Cash flow from operating activities	<b>22,658,229</b>	29,021,883
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	5,107,519	1,392,087
Repayment of long term debt	(523,101)	(419,058)
Repayment of obligations under capital lease	(91,768)	(123,568)
Cash flow from financing activities	<b>4,492,650</b>	849,461
<b>CAPITAL ACTIVITIES</b>		
Acquisitions of tangible capital assets	(7,977,499)	(7,915,122)
Proceeds on disposal of tangible capital assets	-	35,000
	<b>(7,977,499)</b>	(7,880,122)
<b>INCREASE IN CASH FLOW</b>	<b>19,173,380</b>	21,991,222
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<b>36,296,642</b>	14,305,420
<b>CASH AND CASH EQUIVALENTS - END OF YEAR (Note 16)</b>	<b>\$ 55,470,022</b>	\$ 36,296,642

**SADDLE LAKE CREE NATION****Consolidated Schedule of Total Expenses by Object****(Schedule 1)****Year Ended March 31, 2022**

	Budget 2022	2022	2021
Wages and benefits	\$ 22,908,350	<b>\$ 24,499,877</b>	\$ 20,265,071
Child welfare operations	10,852,672	<b>13,808,882</b>	12,375,940
Contracted and program services	3,708,885	<b>11,440,860</b>	6,740,232
Direct social assistance	8,476,384	<b>5,915,395</b>	4,597,278
Office and general	2,253,171	<b>5,883,467</b>	2,692,754
Repairs and maintenance	5,265,412	<b>5,163,173</b>	2,412,701
Travel, meetings, workshops	2,671,745	<b>5,056,802</b>	2,730,588
Materials, goods and utilities	4,266,331	<b>4,564,395</b>	3,613,121
Amortization	-	<b>3,702,112</b>	3,596,472
Post secondary allowances and tuition	3,450,000	<b>3,070,843</b>	3,146,328
COVID-19 expenses (Note 21)	-	<b>1,816,194</b>	5,520,237
Professional fees	674,021	<b>1,388,635</b>	811,653
Donations, sponsorships and honorariums	194,111	<b>619,085</b>	387,156
Interest and bank charges	14,503	<b>110,099</b>	85,973
	<b>\$ 64,735,585</b>	<b>\$ 87,039,819</b>	<b>\$ 68,975,504</b>

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**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, 2022 and for the year then ended include the financial position of the subsidiaries and the results of their operations for the year then ended. The results of operations of the subsidiaries are included in the consolidated financial statements from the date of incorporation.

Government transfers and funding

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.

Allocation of revenue and expenses

The allocation of revenue and expenses are determined by management in accordance with the specific terms of the applicable contribution agreements.

Expenses which benefit more than one area of funding are allocated amongst their function. The Nation estimates the allocation of certain projects expenses that are applied to individual funding, based on the share of the resources expended.

Capital and Revenue trust funds

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.

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**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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

**Other revenue**

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.

**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.

*(continues)*

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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

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
Engineering structures	4-6%	diminishing balance method
Automotive	30%	diminishing balance method
Paving and roads	20%	diminishing balance method
Computer equipment	50%	diminishing balance method
Equipment	20%	diminishing balance method
Data network infrastructure equipment	30%	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.

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 \$678,511 (2021 - \$671,100) 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, collectability 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.

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**3. ACCOUNTS RECEIVABLE**

	<b>2022</b>	<b>2021</b>
Accounts receivable include amounts due from the following:		
Province of Alberta	\$ 2,793,720	\$ 3,340,746
Other receivables	2,078,208	955,535
First Nations Development Fund	700,000	-
Indigenous Services Canada (ISC)	602,500	402,500
Canada Mortgage and Housing Corporation	360,000	-
Canada Revenue Agency	44,832	87,966
	<b>6,579,260</b>	4,786,747
Allowance for doubtful accounts	(570,464)	-
	<b>\$ 6,008,796</b>	<b>\$ 4,786,747</b>

The balance due from Indigenous Services Canada includes \$350,000 (fiscal 2021 and fiscal 2022 Prev/Least Disruptive Measures – fixed contribution), \$200,000 (fiscal 2021 Maintenance – Group Homes – fixed contribution), \$50,000 (fiscal 2022 Asset Management Plan – fixed contribution), and \$2,500 (fiscal 2021 Basic Needs – flexible contribution).

**4. RESTRICTED SHORT TERM INVESTMENTS**

Included in restricted short term investments are \$291,322 of Guaranteed Investment Certificates which bear interest at 0.45% and mature in September 2022 and December 2022. 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 fully funded as at year-end.

**SADDLE LAKE CREE NATION****Notes to Consolidated Financial Statements****Year Ended March 31, 2022****5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES**

	<b>2022</b>	<b>2021</b>
Balance beginning of year	\$ 1,913,744	\$ 981,270
Share of (loss) income	(202,071)	866,470
Net advances (from) to government business enterprises	(1,605)	66,004
	<b>\$ 1,710,068</b>	<b>\$ 1,913,744</b>

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 Stop Ltd.	100%	March 31, 2022
Saddle Lake Building Supplies Ltd.	100%	December 31, 2022
1786228 Alberta Ltd.	100%	March 31, 2022

**Unaudited aggregate balance sheet information:**

Assets		
Current assets	\$ 1,900,714	\$ 1,861,106
Capital assets	2,254,148	2,440,135
Other assets	35,280	34,734
	<b>\$ 4,190,142</b>	<b>\$ 4,335,975</b>
Liabilities		
Current liabilities	\$ 894,091	\$ 341,798
Other liabilities	2,659,789	3,155,844
Equity	636,262	838,333
	<b>\$ 4,190,142</b>	<b>\$ 4,335,975</b>

**Unaudited aggregate income statement information:**

Revenue	\$ 8,132,410	\$ 10,498,991
Expenses	(8,334,481)	(9,706,057)
Net (loss) income	<b>\$ (202,071)</b>	<b>\$ 792,934</b>

**6. LONG TERM INVESTMENTS**

	<b>2022</b>	<b>2021</b>
Seven Lakes Oilfield Services LP	\$ 2,472,884	\$ 2,361,080
Pimee Well Servicing LP	1,965,217	1,965,217
Pimee Well Servicing Ltd.	1,800,422	1,802,397
SL Smoke Eaters LP	480,469	484,266
United Farmers of Alberta Equity	47,872	47,832
	<b>\$ 6,766,864</b>	<b>\$ 6,660,792</b>

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**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.

	<b>2022</b>	<b>2021</b>
<b>Capital trust fund</b>		
Beginning of year	\$ 675,340	\$ 524,704
Income from royalties	- 150,636	
Transfer to Nation programs	(200,000) -	
	<b>475,340</b>	675,340
<b>Revenue trust fund</b>		
Beginning of year	406,709	490,059
Income from royalties and interest	13,881	266,650
Transfer to Nation programs	(50,000) (350,000)	
	<b>370,590</b>	406,709
<b>Total trust funds</b>	<b>\$ 845,930</b>	<b>\$ 1,082,049</b>

**SADDLE LAKE CREE NATION****Notes to Consolidated Financial Statements****Year Ended March 31, 2022****9. DEFERRED REVENUE**

Deferred revenue represents funding received during the year that has not been expended as at March 31, 2022.

	Opening balance	Contributions received	Revenue recognized	Ending balance
Indigenous Services Canada (ISC)				
- Health	\$ 5,677,115	\$ 14,117,943	\$ 10,913,408	\$ 8,881,650
Indigenous Services Canada (ISC)	19,501,084	58,874,855	46,661,834	31,714,105
Indigenous Skills and Employment Training Program (ISETP)	1,736,385	3,339,279	2,853,504	2,222,160
First Nations Development Fund (FNDF)	250,000	270,847	453,279	67,568
Other	-	2,989,719	1,186,041	1,803,678
	\$ 27,164,584	\$ 79,592,643	\$ 62,068,066	\$ 44,689,161

**DEFERRED REVENUE****2022**

<u>Indigenous Services Canada (ISC) - Health</u>	
Q23X - Community Disaster Emergency	\$ 3,149,167
Q21G - Mental Wellness	2,175,409
Q30P - Health Planning	734,362
Q22U - Service Delivery	696,331
Q20L - Jordan's Principle	450,445
Q2BA - Home Support	402,902
Q22N - Community Health Representative	359,560
Q21M - IRS - Resolution	172,057
Q221 - Aboriginal Diabetes Initiative	171,339
Q22G - CPNP	108,131
Q22K - Alberta Headstart on Reserve	97,583
Q243 - Public Health	96,753
Q23Z - HIV/AIDS Prevention	93,927
Q22H - FASD	93,702
Q23C - Drinking Water	67,892
Q02U - Oral Health	12,090
	\$ 8,881,650

*(continues)*

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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DEFERRED REVENUE (*continued*)

Indigenous Services Canada (ISC)

Q3XG - Design and Construction	\$ 6,760,096
Q29W - Basic Needs	3,887,023
Q29T - Income Assistance - Social Assistance	3,711,246
Q3TJ - LTDWA Acceleration	2,906,370
Q3V9 - Direct Allocation	2,412,906
Q290 - Post Secondary Education	1,427,798
Q3VE - Perimeter Security	1,370,764
Q2BW - Community Based Initiative	1,364,159
Q3CD - Local Roads and Bridges	1,000,000
Q3AX - Roads and Bridges	700,000
Q3BH - Roads and Bridges	663,944
Q35B - Water Systems	595,385
Q3B0 - Community Buildings	510,000
Q28N - School Effectiveness	502,509
Q3B8 - Connectivity	396,259
Q26G - Skills Link - Tribal Administration	343,530
Q24A - Elementary/Secondary	330,601
Q3VO - Needs Based Allocation	318,532
Q24M - School Protect Formula	317,905
Q29T - Income Assistance - Social Services	284,960
Q3CE - Planning and Skills	244,375
Q3FO - Preparedness & Mitigation	230,980
Q24N - School Second Level	180,258
Q3TG - Wastewater Under \$1.5M	180,000
Q3IR - AFA Block/Core Fund - CED	166,159
Q3WI - Operations and Maintenance	150,000
Q35A - Wastewater Systems	130,768
Q3BK - Community Buildings	122,026
Q26G - Skills Link - Social Assistance	99,339
Q3TD - Water Over \$1.5M	92,035
Q2JB - Safe Restart	74,877
Q20L - Jordan's Principle	61,536
QZ9P - Special Claim Submission	55,500
Q3BG - Fire Protection	50,292
Q3H3 - Asset Management Plan	50,000
Q3NM - Projects and Capacity	14,632
Q3BI- Electrical Systems	7,341
	<b>\$ 31,714,105</b>

Amounts included in ISETP and FNDF are deferred in accordance with their respective agreements.

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**10. LONG TERM DEBT**

	<b>2022</b>	<b>2021</b>
Project #005 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 2.80% per annum. Repayment terms to be established upon completion of the build. The mortgage renews on October 30, 2025 and matures on October 30, 2045 and is secured by a ministerial guarantee.	\$ 2,032,216	\$ 594,905
Project RHI 26708172 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 2.80% per annum. Repayment terms to be established upon completion of the build. The mortgage renews on October 30, 2025 and matures on October 30, 2045 and is secured by a ministerial guarantee.	1,847,893	-
Project #004 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 2.80% per annum. Repayment terms to be established upon completion of the build. The mortgage renews on July 21, 2025 and matures on July 21, 2045 and is secured by a ministerial guarantee.	1,051,313	797,182
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.	907,828	496,314
Project #006 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 2.80% per annum. Repayment terms to be established upon completion of the build. The mortgage renews on October 30, 2025 and matures on October 30, 2045 and is secured by a ministerial guarantee.	812,400	-
TD financing bearing interest at 3.90% per annum, repayable in monthly fixed payments of \$4,028 plus interest. The loan matures on September 9, 2026 and is secured by equipment with a carrying value of \$186,380.	169,388	-
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.	128,470	247,057
TD financing bearing interest at 4.15% per annum, repayable in monthly fixed payments of \$3,526 plus interest. The loan matures on August 30, 2024 and is secured by a general security agreement.	102,249	144,559
Project #003 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 1.31% per annum, repayable in monthly blended payments of \$1,911. The mortgage renewed on December 1, 2021 and matures on October 1, 2026 and is secured by a ministerial guarantee.	102,007	123,411

*(continues)*

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**10. LONG TERM DEBT (*continued*)**

	<b>2022</b>	<b>2021</b>
Project #002 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 1.14% per annum, repayable in monthly blended payments of \$1,775. The mortgage renewed on June 1, 2021 and matures on May 1, 2026 and is secured by a ministerial guarantee.	<b>86,650</b>	106,846
Project #001 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 0.94% per annum, repayable in monthly blended payments of \$2,264. The mortgage renewed on September 1, 2020 and matures on April 1, 2025 and is secured by a ministerial guarantee.	<b>82,399</b>	108,674
TD financing bearing interest at 3.45% per annum, repayable in monthly fixed payments of \$2,573 plus interest. The loan matures on October 30, 2023 and is secured by a general security agreement.	<b>48,894</b>	79,775
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 \$60,558.	<b>25,642</b>	74,354
TD financing bearing interest at 3.45% per annum, repayable in monthly fixed payments of \$858 plus interest. The loan matures on December 19, 2023 and is secured by a general security agreement.	<b>18,014</b>	28,307
BMO financing repaid in the year.	-	29,560
 Amounts payable within one year	 -	 -
	<b>\$ 7,415,363</b>	<b>\$ 2,830,944</b>

Principal repayment terms are approximately:

2023	\$ 649,926
2024	377,925
2025	544,852
2026	86,141
2027	12,697
Thereafter	<u>5,743,822</u>
	 <b>\$ 7,415,363</b>

Interest paid on long-term debt amounted to \$34,640 (2021 - \$38,040) during the year.

*(continues)*

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**10. LONG TERM DEBT (*continued*)**

As at March 31, 2022, 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, 2022, the loan was not drawn upon.

As at March 31, 2022, 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, 2022, the loan was drawn upon for \$297,627 (2021 - \$499,699). 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.

**11. OBLIGATIONS UNDER CAPITAL LEASE**

	<b>2022</b>	<b>2021</b>
Brandt non-interest bearing lease repayable in monthly payments of \$8,923. The lease matures on July 5, 2025 and is secured by 2020 872G Grader c/w F&R Fenders. Ser No. 1DW872GXJLF7033346 which has a carrying value of \$342,787.	\$ 333,691	\$ 425,459

Future minimum capital lease payments are approximately:

2023	\$ 107,078
2024	107,078
2025	107,078
2026	<u>35,693</u>
Total minimum lease payments	356,927
Less: amount representing interest at various rates	<u>(23,236)</u>
	<b><u>\$ 333,691</u></b>

**SADDLE LAKE CREE NATION**

**Notes to Consolidated Financial Statements**

**Year Ended March 31, 2022**

**12. TANGIBLE CAPITAL ASSETS**

<b>COST</b>	<b>2021</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>2022</b>
Land	\$ 647,730	\$ -	\$ -	\$ <b>647,730</b>
Buildings	31,278,242	922,857	-	<b>32,201,099</b>
Engineering structures	17,527,038	950,936	-	<b>18,477,974</b>
Automotive	11,682,727	1,610,589	-	<b>13,293,316</b>
Paving and roads	5,768,953	3,554,428	-	<b>9,323,381</b>
Equipment	1,927,448	249,368	-	<b>2,176,816</b>
Computer equipment	949,807	199,171	-	<b>1,148,978</b>
Data Network Infrastructure				
Equipment	-	490,151	-	<b>490,151</b>
	<b>\$ 69,781,945</b>	<b>\$ 7,977,500</b>	<b>\$ -</b>	<b>\$ 77,759,445</b>

<b>ACCUMULATED AMORTIZATION</b>	<b>2021</b>	<b>Amortization</b>	<b>Disposals</b>	<b>2022</b>
		<b>expense</b>		
Land	\$ -	\$ -	\$ -	\$ -
Buildings	4,861,084	1,026,798	-	<b>5,887,882</b>
Engineering structures	7,034,683	607,287	-	<b>7,641,970</b>
Automotive	9,193,041	954,633	-	<b>10,147,675</b>
Paving and roads	1,184,570	887,101	-	<b>2,071,671</b>
Equipment	1,381,643	98,344	-	<b>1,479,987</b>
Computer equipment	806,294	127,949	-	<b>934,243</b>
	<b>\$ 24,461,315</b>	<b>\$ 3,702,112</b>	<b>\$ -</b>	<b>\$ 28,163,428</b>

<b>NET BOOK VALUE</b>	<b>2021</b>	<b>2022</b>
Land	\$ 647,730	\$ <b>647,730</b>
Buildings	26,417,158	<b>26,313,217</b>
Engineering structures	10,492,355	<b>10,836,004</b>
Automotive	2,489,686	<b>3,145,641</b>
Paving and roads	4,584,383	<b>7,251,710</b>
Equipment	545,805	<b>696,829</b>
Computer equipment	143,513	<b>214,735</b>
Data Network Infrastructure	-	<b>490,151</b>
	<b>\$ 45,320,630</b>	<b>\$ 49,596,017</b>

Included above is an automotive held under capital lease (Note 11) with a cost of \$521,250, accumulated amortization of \$178,463 and a net book value of \$342,787.

**SADDLE LAKE CREE NATION****Notes to Consolidated Financial Statements****Year Ended March 31, 2022****13. ACCUMULATED SURPLUS**

	<b>2022</b>	<b>2021</b>
Unrestricted surplus	\$ 12,443,140	\$ 10,984,526
Equity in trust funds ( <i>Note 8</i> )	845,930	1,082,049
Equity in tangible capital assets	41,009,631	40,815,380
Equity in investments	8,750,909	8,750,909
	<b>\$ 63,049,610</b>	<b>\$ 61,632,864</b>

**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 amount outstanding as of March 31, 2022 is \$nil.

The Nation has provided a guarantee to Bison Auto Stop 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, 2022 is \$1,792,137.

Subsequent to year end, Bison Auto Stop Ltd. defaulted on a portion of its May 2022 quarterly loan payment. As a result, the Nation paid \$58,925 on August 5, 2022, representing the underpaid portion of the loan payment, on Bison's behalf. In addition, Bison defaulted on its August 15, 2022 scheduled loan payment and the Nation paid \$84,784 on August 23, 2022 on its behalf. These payments have not been accrued for in these consolidated financial statements.

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 an ongoing legal proceeding with a former employee of the Nation. Total demand for the claim is \$225,000.

The Nation filed a claim against Her Majesty the Queen in 1986 regarding oil and gas issues affecting the Nation. After various mediation, a provisional settlement has been agreed to contingent on various factors that are expected to be met by October 2022. Should these factors be met, an agreed upon settlement is to be apportioned between the Nation and another Alberta First Nation based on their current populations.

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**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 \$161,514 (2021 - \$250,000) and are not subject to interest on the amounts owing.

	<b>2022</b>	<b>2021</b>
<b>Advances</b>		
Advances received	\$ 161,514	\$ 250,000
Prior year surplus	32,489	-
 Funding available	 194,003	 250,000
 <b>Expenditures</b>		
<u>Nation Costs</u>		
Nation travel	25,318	-
Negotiator	7,000	-
Meeting rooms/hall rental	2,000	-
Elder	1,540	-
 <u>Legal</u>		
Gowling WLG - Fees, disbursements, and travel	86,568	179,181
 <u>Professional &amp; Consultancy</u>		
Research Analyst - Fees, disbursements and travel	28,571	-
GLJ Ltd. - Fees, disbursements and travel	25,506	-
Deloitte LLP - Fees, disbursements and travel	12,500	32,645
Joan Holmes & Associates - Fees, disbursements and travel	-	5,685
 <u>Other</u>		
Administration	5,000	-
 Total expenditures	 194,003	 217,511
 Unspent advances, end of year	 \$ -	 \$ 32,489

**16. CASH FLOW SUPPLEMENTARY INFORMATION**

The following transactions have been excluded from the Statement of Cash Flow as they did not require the use of cash or cash equivalents.

	<b>2022</b>	<b>2021</b>
Assets acquired through a capital lease	\$ -	\$ 520,600

**SADDLE LAKE CREE NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**17. 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, 2022. 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.

**18. 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.

**19. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**20. COVID-19**

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

As of April 1, 2021, the Nation's ability to provide various services to its members was hindered due to physical distancing practices established as well as difficulty engaging vendors who remain operational. The Nation's Government Business Enterprises have also encountered difficulties to complete contracted services which reduces the Nation's ability to generate self-source revenues through its various subsidiaries. Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

Despite widespread shutdowns of local and national economies caused by COVID-19, the Nation continued to and continues to offer essential services to its members through program delivery. Chief and Council of the Nation has concluded that the costs to deliver these services are the responsibility of the federal government as part of its Treaty obligations.

**SADDLE LAKE CREE NATION**  
**Consolidated Notes to Financial Statements**  
**March 31, 2022**

**21. CONSOLIDATED SEGMENT DISCLOSURES**

2022 Fiscal Year	Public Works	Employment & Training Services	Education	Post Secondary	Social Assistance	Social Services	Child Welfare	Tribal Administration	Other Health	Health Care Centre	Other	2022 Total	2021 Total
<b>Revenue</b>													
ISC Block Contribution funding	3,199,999	-	6,266,383	3,647,454	11,004,821	232,512	-	1,892,290	-	595,682	-	26,839,141	26,363,548
ISC Fixed Contribution funding	8,609,787	-	9,921,452	937,116	73,224	-	13,909,948	1,777,147	-	-	-	35,228,673	26,215,205
ISC Set Contribution funding	-	-	-	-	-	-	84,221	-	-	-	-	84,221	549,623
ISC Flexible Contribution funding	2,193,766	-	-	-	3,983,030	-	-	7,510,637	-	-	-	13,620,080	12,003,149
ISC Health Flexible Funding	-	-	-	-	-	-	-	-	-	13,320,080	-	13,320,080	12,162,241
Other Revenue	1,496,680	46,500	117,774	-	-	38,180	124,720	1,572,343	76,579	-	-	3,462,776	4,209,960
Provinces of Alberta	1,487,583	-	-	-	-	-	3,677,283	-	-	-	-	5,164,865	3,517,716
ISETP/IELCC Revenue	-	2,899,971	204,087	-	-	-	-	-	-	-	-	3,104,058	2,276,097
Service Canada - Youth Employment and Skills Strategy	-	439,307	-	-	-	-	-	-	-	-	-	439,307	-
First Nation Development fund (FNDF)	-	-	-	-	-	-	-	1,432,890	-	-	-	1,432,890	733,216
Child Tax Benefit	-	-	-	-	-	-	663,614	-	-	-	-	663,614	509,699
Capital Trust funds	200,000	-	-	-	-	-	-	-	-	-	-	200,000	-
ISC Health Canada Fixed Funding	-	-	-	-	-	-	-	-	-	-	-	1,485,332	1,485,491
Revenue Trust funds	50,000	-	-	-	-	-	-	-	-	-	-	50,000	350,000
Canada Mortgage and Housing Corporation (CMHC)	533,309	-	-	-	-	-	-	-	-	-	-	533,309	101,403
Net contributions carried forward	(4,190,314)	(485,775)	(8,650,481)	(719,874)	(2,531,550)	(72,395)	3,665,370	(1,335,022)	-	(3,204,536)	-	(17,524,577)	(17,140,217)
(Lapsed) recovered funding	-	-	-	-	(14,703)	-	-	-	-	-	-	(14,703)	(15,250)
Property Tax Revenue	-	-	-	-	-	-	-	329,530	-	-	-	329,530	352,023
Fuel and Tobacco	-	-	-	-	-	-	-	111,878	-	-	-	111,878	264,725
Income allocation from Onihekkiskewapowin Business Trust	-	-	-	-	-	-	-	-	-	-	18,138	18,138	7,489
Income from gain or loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	30,160
Loss on impairment of asset	-	-	-	-	-	-	-	-	-	-	-	(202,071)	(202,071)
(Loss) Income from Government Business Enterprises	-	-	-	-	-	-	-	-	-	-	-	(202,071)	866,470
Loss on impairment of investment	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from Investments	-	-	-	-	-	-	-	-	-	-	-	106,072	106,072
<b>Total Revenue</b>	<b>13,570,810</b>	<b>2,900,004</b>	<b>7,859,215</b>	<b>3,864,696</b>	<b>12,514,822</b>	<b>198,297</b>	<b>22,125,156</b>	<b>13,291,693</b>	<b>76,579</b>	<b>12,196,558</b>	<b>(77,861)</b>	<b>88,519,967</b>	<b>75,316,640</b>
<b>Expenses</b>													
Wages and benefits	3,622,330	591,119	6,833,028	218,016	967,146	691,896	4,157,655	3,607,810	-	3,794,460	-	24,483,460	20,263,071
Contracted and program services	1,915,429	7,035	423,512	45,907	-	42,922	2,243,726	6,859,153	-	322,401	-	11,860,085	6,498,351
Professional fees	77,415	26,080	58,732	13,500	41,811	3,450	463,397	599,873	-	111,378	-	1,395,635	811,653
Bad debts	-	-	-	-	-	-	570,464	-	-	-	-	570,464	-
Materials, goods and utilities	938,651	20,055	434,751	-	6,019	44,929	163,178	671,129	18,081	2,267,817	-	4,564,610	3,301,520
Amortization of tangible capital assets	2,592,374	33,501	240,041	7,531	17,766	905	92,302	88,088	939	628,667	-	3,702,112	3,596,472
Post secondary allowances and tuition	-	439,191	4,200	897,800	-	-	182,793	1,002	-	137,362	-	1,662,348	1,541,764
Repairs and maintenance	4,065,333	37,362	328,692	-	27,622	1,650	21,227	25,119	47,626	278,097	-	4,833,457	2,505,772
Travel, Meetings, Workshops	80,364	166,506	169,736	74,130	311,273	204,284	2,369,490	855,679	-	974,800	-	5,205,264	2,952,206
Office and general	436,115	119,801	323,117	341,342	109,973	22,550	396,518	336,123	1,500	146,646	-	2,233,695	1,757,726
Donations, sponsorships and honorariums	32,625	-	36,004	9,778	3,500	-	48,163	695,535	200	17,496	-	843,301	523,866
Interest and bank charges	39,814	3,557	15,230	2,709	987	1,631	871	44,812	1,173	-	-	110,784	85,972
Automotive	567,850	23,915	137,493	-	-	-	8,456	23,901	-	197,755	-	959,371	484,646
Rent	-	-	-	-	-	-	-	-	-	-	-	-	5,902
Training Allowance	-	112,692	-	1,644,910	-	227,874	-	-	-	-	-	1,985,477	1,982,828
Waste Water	-	-	-	-	-	-	-	-	-	-	-	9,214	20,621
Advertising	-	-	1,404	-	-	-	-	7,810	-	-	-	-	10,424,697
Child welfare payments	-	-	-	-	-	-	10,588,100	-	-	-	-	10,588,100	10,424,697
Direct social assistance	-	-	-	-	5,915,395	105,900	605,812	-	-	-	-	6,627,107	4,976,650
Governance	-	-	-	-	-	-	-	-	-	-	-	-	26,615
Covid	-	-	-	-	985,593	-	-	134,393	5,000	445,096	-	1,570,082	5,445,679
Other	167,733	9,724	429,951	510,496	-	14,100	8,429	69,785	3,431	2,621,562	-	3,835,260	1,358,050
<b>Total Expenses</b>	<b>14,536,683</b>	<b>1,590,641</b>	<b>9,434,831</b>	<b>3,766,120</b>	<b>8,387,084</b>	<b>1,544,885</b>	<b>21,873,183</b>	<b>14,027,176</b>	<b>72,951</b>	<b>11,866,965</b>	<b>-</b>	<b>87,039,819</b>	<b>68,975,505</b>
<b>Surplus (Deficit) before transfers</b>	<b>(965,273)</b>	<b>1,309,463</b>	<b>(1,575,617)</b>	<b>98,576</b>	<b>4,127,738</b>	<b>(1,346,588)</b>	<b>251,974</b>	<b>(735,483)</b>	<b>3,628</b>	<b>389,593</b>	<b>(77,861)</b>	<b>1,480,148</b>	<b>6,341,135</b>
<b>Transfers</b>													
CCTB transfers	135,000	-	105,000	-	(1,318,945)	978,945	-	100,000	-	-	-	-	-
WOP transfers	2,490	-	1,845	-	(105,556)	101,221	-	-	-	-	-	-	-
Office rent	374,382	-	(13,564)	(15,408)	(38,034)	(9,791)	(137,973)	(90,175)	-	-	(69,436)	-	-
Accounting fee	(25,178)	(12,000)	(32,000)	(9,000)	(15,000)	(9,000)	(40,000)	182,178	-	(40,000)	-	-	-
Administration fee	1,000,000	-	-	(5,000)	(5,000)	-	(2,500,000)	-	2,037,015	-	(331,015)	-	-
Hampers	-	-	-	(5,000)	(15,000)	32,500	(10,000)	(2,500)	-	(10,000)	-	-	-
Wages	-	-	-	-	-	-	-	15,000	-	-	-	-	-
Garbage	16,525	(850)	-	-	-	-	(1,400)	-	-	(14,275)	-	-	-
Transfer from Post Secondary	-	-	46,637	(46,637)	-	-	-	-	-	-	-	-	-
Transfer from Health	-	-	257,606	-	-	-	-	-	-	(257,606)	-	-	-
Transfer from Education	9,350	-	(9,350)	-	-	-	-	-	-	-	-	-	-
Transfer to Social Assistance	-	-	-	-	(252,713)	252,713	-	-	-	-	-	-	-
Transfer to Administration	-	-	-	-	-	-	(450,184)	450,184	-	-	-	-	-
Transfer to Education	-	(1,448,396)	1,448,396	-	-	-	-	-	-	-	-	-	-
Transfer to Health	-	-	-	-	-	-	-	(354,547)	-	354,547	-	-	-
Transfer to Public Works	1,522,616	-	-	-	-	-	-	(1,522,616)	-	-	-	-	-
Transfer from Human Resource Development	(80,019)	-	-	-	-	-	-	80,019	-	-	-	-	-
Transfer from Administration	-	-	-	-	134,979	-	-	(134,979)	-	-	-	-	-
Transfer to Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Transfers</b>	<b>3,035,185</b>	<b>(1,541,265)</b>	<b>1,799,570</b>	<b>(91,045)</b>	<b>(4,095,269)</b>	<b>1,346,588</b>	<b>(845,557)</b>	<b>759,579</b>	<b>-</b>	<b>(367,785)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) after transfers</b>	<b>2,069,912</b>	<b>(231,802)</b>	<b>223,954</b>	<b>7,531</b>	<b>32,469</b>	<b>-</b>	<b>(593,584)</b>	<b>24,096</b>	<b>3,628</b>	<b>21,808</b>	<b>(77,861)</b>	<b>1,480,148</b>	<b>6,341,135</b>

**Whitefish Lake Band No. 128**  
**Consolidated Financial Statements**  
**March 31, 2022**

# **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

**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, 2022, 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, 2022, 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.

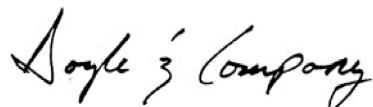
## INDEPENDENT AUDITORS' REPORT - continued

- 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 22, 2022

Chartered Professional Accountants

**Whitefish Lake Band No. 128**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2022**

	2022	2021
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	10,034,709	7,274,712
Restricted cash (Note 3)	1,314,756	1,295,103
Investments (Note 4)	40,292	40,200
Accounts receivable (Note 5)	1,229,837	686,871
	<b>12,619,594</b>	9,296,886
<b>LIABILITIES</b>		
Line of credit (Note 6)	-	200,000
Accounts payable (Note 7)	3,837,117	3,417,814
Deferred contributions - Own Source (Note 8)	4,555,621	3,392,429
Deferred contributions - Funding (Note 9)	6,670,646	5,172,207
Obligations Under Capital Lease (Note 10)	87,579	218,290
	<b>15,150,963</b>	12,400,740
<b>NET FINANCIAL DEBT</b>	<b>(2,531,369)</b>	(3,103,854)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	36,342,122	37,253,898
Prepaid expenses	150,783	-
	<b>36,492,905</b>	37,253,898
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 13)</b>	<b>33,961,536</b>	34,150,044

Approved by the Band:

*Original Signed By* \_\_\_\_\_ Chief

*Original Signed By* \_\_\_\_\_ Councilor      *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, 2022**

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>REVENUE</b>			
Indigenous Services Canada	19,577,785	19,436,149	11,030,997
First Nation Development Fund	-	669,631	403,011
Health Canada	5,538,852	5,759,375	7,080,334
Tribal Chiefs Employment and Training	1,443,066	2,004,948	1,976,622
Canada Housing and Mortgage Corporation	-	3,663	9,210
Other revenue	1,519,156	4,163,296	4,269,901
Revenue deferred from previous period	2,688,611	8,564,636	9,063,785
Revenue deferred to subsequent period	-	(11,226,267)	(8,564,636)
	<b>30,767,470</b>	<b>29,375,431</b>	<b>25,269,224</b>
<b>EXPENDITURES</b>			
Administration	2,072,467	2,623,781	2,611,623
Consultation and IBA	475,500	757,014	434,987
Daycare Centre	276,005	353,297	342,798
Economic Development	-	73,332	130,722
Education - Administration	205,253	211,335	633,173
Education - Bussing	512,788	795,018	518,456
Education - Post-Secondary	1,169,903	1,113,541	1,043,097
Education - School	2,800,507	3,014,386	2,773,111
Enhanced delivery	489,492	597,859	572,310
Health Services	5,627,748	5,615,527	4,558,884
Housing	1,471,222	1,474,259	1,489,885
National Governance	-	48,549	-
Public Works	1,369,332	2,988,601	1,890,183
Recreation	4,679	178,298	222,186
Royal Bank Agency	53,086	66,229	88,632
Social Services	2,940,035	2,350,621	1,935,330
Social Services - Delivery	593,057	745,045	644,582
Emergency Response - Covid 19	3,113,178	2,464,468	3,403,309
Tribal Chiefs Employment and Training	378,146	433,527	435,296
Labour Market Strategy	76,710	39,593	34,635
Jordan's Principle	591,312	570,055	457,733
	<b>24,220,420</b>	<b>26,514,335</b>	<b>24,220,932</b>
<b>Excess of Revenue Over Expenditures</b>			
Before Other Revenue (Expenditures)	6,547,050	2,861,096	1,048,292
<b>Other Revenue (Expenditures)</b>			
Indigenous Services Canada - capital funding	-	-	11,467,729
Amortization	-	(3,069,256)	(2,660,420)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>6,547,050</b>	<b>(208,160)</b>	<b>9,855,601</b>

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, 2022**

	2022 Budget \$	2022 Actual \$	2021 Actual \$
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>6,547,050</b>	<b>(188,508)</b>	10,029,204
Acquisition of tangible capital assets	-	(2,157,480)	(12,390,478)
Amortization of tangible capital assets	-	3,069,256	2,660,420
Disposal of tangible capital assets	-	-	76,552
	<b>6,547,050</b>	<b>911,776</b>	(9,653,506)
Acquisition of prepaid assets	(150,783)	(150,783)	-
<b>DECREASE IN NET FINANCIAL DEBT</b>	<b>6,547,050</b>	<b>572,485</b>	375,698
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	<b>-</b>	<b>(3,103,854)</b>	(3,479,552)
<b>NET FINANCIAL DEBT, END OF YEAR</b>	<b>-</b>	<b>(2,531,369)</b>	(3,103,854)

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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, 2022**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from funding agencies and other income	28,832,465	39,343,839
Cash paid to suppliers and employees	(23,384,185)	(22,864,600)
	<b>5,448,280</b>	<b>16,479,239</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term liabilities	(330,711)	(287,740)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(2,157,480)	(12,390,478)
Increase in investments	(92)	-
	<b>(2,157,572)</b>	<b>(12,390,478)</b>
<b>INCREASE IN CASH</b>	<b>2,959,997</b>	<b>3,801,021</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>7,074,712</b>	<b>3,273,691</b>
<b>CASH, END OF YEAR</b>	<b>10,034,709</b>	<b>7,074,712</b>
 <b>Bank indebtedness consists of the following:</b>		
Cash	10,034,709	7,274,712
Line of credit	-	(200,000)
	<b>10,034,709</b>	<b>7,074,712</b>

**Whitefish Lake Band No. 128**  
**Schedule of Changes in Accumulated Surplus - Schedule 1**  
**For the year ended March 31, 2022**

	Unrestricted Surplus \$	Equity in Tangible Capital Assets \$	Equity in Trust Funds \$	2022 \$	2021 \$
<b>Balance, Beginning of Year</b>	<b>(4,180,667)</b>	<b>37,035,608</b>	<b>1,295,103</b>	<b>34,150,044</b>	<b>24,120,840</b>
Excess of revenue over expenditures	(208,160)	-	19,652	(188,508)	10,029,204
Current years funds used for tangible capital assets	(2,157,480)	2,157,480	-	-	-
Annual amortization expense	3,069,256	(3,069,256)	-	-	-
Long-term liabilities repaid	(130,711)	130,711	-	-	-
Change in accumulated surplus	572,905	(781,065)	19,652	(188,508)	10,029,204
<b>Balance, End of Year</b>	<b>(3,607,762)</b>	<b>36,254,543</b>	<b>1,314,755</b>	<b>33,961,536</b>	<b>34,150,044</b>

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, 2022**

	Automotive and Equip. \$	Buildings & Housing \$	Furniture and Equip. \$	Engineered Structures \$	2022 \$	2021 \$
<b>COST:</b>						
Balance, Beginning of Year	12,336,218	31,251,004	519,811	34,278,793	78,385,826	66,370,448
Acquisition of tangible capital assets	816,212	322,474	-	1,018,794	2,157,480	12,390,478
Disposal of tangible capital assets	-	-	-	-	-	(375,100)
Balance, End of Year	13,152,430	31,573,478	519,811	35,297,587	80,543,306	78,385,826
<b>ACCUMULATED AMORTIZATION:</b>						
Balance, Beginning of Year	9,627,954	24,973,724	170,771	6,359,479	41,131,928	38,770,056
Annual amortization	934,161	643,852	69,808	1,421,435	3,069,256	2,660,420
Accumulated amortization on disposals	-	-	-	-	-	(298,548)
Balance, End of Year	10,562,115	25,617,576	240,579	7,780,914	44,201,184	41,131,928
<b>NET BOOK VALUE</b>	<b>2,590,315</b>	<b>5,955,902</b>	<b>279,232</b>	<b>27,516,673</b>	<b>36,342,122</b>	<b>37,253,898</b>
2021 NET BOOK VALUE	2,708,264	6,277,280	349,040	27,919,314	37,253,898	

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, 2022**

	<b>ISC Revenue \$</b>	<b>Trust Funds \$</b>	<b>Other Revenue \$</b>	<b>Total Revenue \$</b>	<b>Total Expenditures \$</b>	<b>Surplus (Deficit) \$</b>	<b>2021 Surplus (Deficit) \$</b>
Administration	1,031,402	-	1,078,501	2,109,903	2,623,781	(513,878)	519,773
Consultation and IBA	-	-	957,014	957,014	757,014	200,000	200,000
Daycare Centre	81,000	-	272,297	353,297	353,297	-	224
Economic Development	160,258	-	-	160,258	73,332	86,926	29,536
Education - Administration	89,154	-	122,181	211,335	211,335	-	(682)
Education - Bussing	585,078	-	-	585,078	795,018	(209,940)	(235,668)
Education - Post Secondary	1,244,524	-	(130,983)	1,113,541	1,113,541	-	201,046
Education - School	3,492,312	-	(140,986)	3,351,326	3,014,386	336,940	466,847
Enhanced Delivery	-	-	597,845	597,845	597,859	(14)	-
Health Services	-	-	5,615,527	5,615,527	5,615,527	-	1,277,836
Housing	733,709	-	1,061,195	1,794,904	1,474,259	320,645	(73,694)
National Governance	-	-	(451,451)	(451,451)	48,549	(500,000)	-
Public Works	4,078,187	-	250,248	4,328,435	2,988,601	1,339,834	10,288,267
Recreation	-	-	105,700	105,700	178,298	(72,598)	(172,167)
Royal Bank Agency	-	-	43,532	43,532	66,229	(22,697)	(29,125)
Social Services	2,700,685	-	(350,064)	2,350,621	2,350,621	-	-
Social Services - Delivery	887,806	-	(142,761)	745,045	745,045	-	-
Emergency Response - Covid19	4,352,034	-	8,317	4,360,351	2,464,468	1,895,883	43,650
Tribal Chiefs Employment and Training	-	-	433,522	433,522	433,527	(5)	178
Labour Market Strategy	-	-	39,593	39,593	39,593	-	-
Jordan's Principle	-	-	570,055	570,055	570,055	-	-
	19,436,149	-	9,939,282	29,375,431	26,514,335	2,861,096	12,516,021

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, 2022**

	2022	2021
	\$	\$
<b>EXPENDITURES</b>		
Advertising	5,996	3,590
Building maintenance and utilities	833,939	835,653
Equipment	47,890	56,094
Insurance	275,707	263,854
Interest, bank charges and loan payments	32,580	46,377
Materials and supplies	1,092,488	834,195
Repairs and maintenance	1,258,728	1,311,729
Professional fees	1,500,217	1,386,732
Program costs	6,365,297	4,832,714
Training	1,754,171	1,491,146
Travel	908,780	721,239
Vehicle	2,576,118	2,364,335
Wages and employee benefits	9,862,424	10,073,274
<b>TOTAL EXPENDITURES</b>	<b>26,514,335</b>	24,220,932

# **Whitefish Lake Band No. 128**

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

### **March 31, 2022**

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#### **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, 2022**

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**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, 2022

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#### **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 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 lows 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.

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

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the revenue and expenses in the years in which they become know. 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, 2022 is \$280,000 (2021 - \$260,000) 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.

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

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**2. ECONOMIC DEPENDENCE**

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

**3. RESTRICTED CASH**

	<b>2022</b>	<b>2021</b>
	\$	\$
Trust Funds		
Band Capital	689,053	689,053
Band Revenue	625,703	606,050
	<b>1,314,756</b>	1,295,103

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**4. INVESTMENTS**

Investment includes shares of UFA.

**5. ACCOUNTS RECEIVABLE**

	<b>2022</b>	<b>2021</b>
	\$	\$
Indigenous Services Canada	232,909	59,880
Government of Alberta - Consultation	37,525	-
Government of Alberta - Critical Workers Benefit	-	51,677
Canada Mortgage Housing Corporation	103,700	103,700
First Nation Development Fund	271,844	-
Goods and Services Tax	81,875	114,823
Tribal Chief Ventures	75,000	57,250
Due from Goodfish Lake Pasteur Land	32,038	19,591
Other	394,946	279,950
	<b>1,229,837</b>	686,871

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**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 (2021 - \$Nil) 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 \$ Nil (2021 - \$200,000) balance outstanding on this line of credit.

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

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**7. ACCOUNTS PAYABLE**

	<b>2022</b>	<b>2021</b>
	\$	\$
Trade payables	3,343,478	2,705,367
Landfill closure costs	280,000	260,000
Wages, salaries and source deductions	213,639	452,447
	<b>3,837,117</b>	<b>3,417,814</b>

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

**8. DEFERRED CONTRIBUTIONS - Own Source**

	<b>2022</b>	<b>2021</b>
	\$	\$
Consultation and IBA		
Impact Benefit Agreements (IBA)	4,505,571	3,192,399
Goodfish Business Corporation	50,050	200,030
	<b>4,555,621</b>	<b>3,392,429</b>

**9. DEFERRED CONTRIBUTIONS - Government Funding**

	<b>2022</b>	<b>2021</b>
	\$	\$
Admin		
<i>ISC - IM/IT Government capacity development (Q32H-001)</i>	-	71,616
<i>ISC - Planning &amp; skills development (Q3CE-001)</i>	-	75,000
<i>ISC - Band support funding (Q31K-001)</i>	250,000	-
Daycare Centre		
<i>Tribal Chiefs Employment and Training Services - Child Care</i>	90,373	-
Economic Development		
<i>Alberta Government funding</i>	70,503	70,503
Education - Administration		
<i>Alberta Government funding</i>	32,418	64,125
Education - Post Secondary		
<i>ISC - Post secondary student support (Q29A-001)</i>	136,575	-
Education - School		
<i>ISC - School formula (Q24F-001)</i>	119,243	46,128
<i>ISC - Education planning design &amp; construction (Q36P-001 &amp; 002)</i>	118,374	-
Enhanced Delivery		
<i>Alberta Government funding</i>	-	11,714
Health Services		
<i>Aboriginal Headstart on Reserve (Q22K-001 - 005)</i>	160,321	13,075
<i>Community Health Representative (Q22N-001)</i>	2,847	-
<i>Child Oral Health Initiative (Q02U-001)</i>	474	2,720
<i>Mental Wellness Program (Q21G-001 - 009)</i>	361,173	36,977
<i>HIV/AIDS Promotion &amp; Education (Q23Z-001 &amp; 002)</i>	472	-

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

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**9. DEFERRED CONTRIBUTIONS - Government Funding - Continued**

<i>TB Prev Promotion &amp; Education (Q23U-001)</i>	147	-
<i>CDCM - Public Health NS &amp; CHRS (Q243-001)</i>	106,052	2,231
<i>EPHS - Drinking water &amp; wastewater (Q23C-001 &amp; 002)</i>	13,514	-
<i>HCC Service Delivery (Q22U-001, 002 &amp; 004)</i>	115,713	4,076
<i>Health Planning Management (Q30P-001)</i>	-	16,852
<i>Community Facilities O&amp;M (Q302-001)</i>	-	1,508
<i>MHC - Traditional Healer (Q01T-001)</i>	-	13,400
<i>Maternity Child Health (Q22I-001 &amp; 002)</i>	2,877	59,072
<i>MT - Client Insured Service (Q010-009 - 011, 013, 017)</i>	-	11,526
<i>MT - CA Admin (Q01D-004 &amp; 005)</i>	-	1,697
<i>CDE Planning &amp; Response (Q23X-002, 004 - 006)</i>	222,690	472,576
<i>Capital investments (Q300-002)</i>	28,338	75,076
<i>Mental wellness program (Q21G-010)</i>	456,771	469,522
<i>MT - Client Insured Services (Q010-002, 003 &amp; 012)</i>	33,797	134,864
<i>MT - CA Admin (Q01D-006)</i>	26,718	49,052
Housing		
<i>Cost share housing revenue</i>	50,000	-
<i>Rental revenue</i>	77,890	60,994
<i>ISC - Construction (Q3AA-001)</i>	166,216	388,690
<i>ISC - Lot servicing (Q3AC-001)</i>	-	100,000
<i>ISC - Capacity and innovation (Q3AD-001 to 004)</i>	17,555	180,075
National Governance		
<i>ISC - Covid-19 OSR community service (Q3TO-001)</i>	451,451	-
Public Works		
<i>ISC - Capital project - roads</i>	-	47,600
<i>ISC - Vulnerable systems (Q35T-001 &amp; Q35T-002)</i>	95,542	1,114,336
<i>ISC - Monitoring CSMWG Step 10 (Q3NB-001 &amp; Q3NM-001)</i>	46,569	102,728
<i>ISC - Capital planning infrastructure (Q3B2-001)</i>	22,576	-
<i>ISC - Water systems (Q35B001, Q35B-002 &amp; Q35B-003)</i>	-	16,394
<i>ISC - Solid waste (Q3BT-001)</i>	-	36,210
<i>ISC - LTDWA - Acceleration (Q3TJ-001)</i>	1,216,000	-
First Nation Development Fund	271,844	-
Social Services		
<i>ISC - Community based initiative (Q2KQ-001)</i>	174,312	49,136
<i>ISC - Basic needs (Q29W-003)</i>	788,573	563,270
Social Services - Delivery		
<i>ISC - In-home care (Q2BF-002)</i>	146,914	-
Emergency Response - Covid19		
<i>ISC - Summer work experience (Q26F-001)</i>	-	9,929
<i>ISC - Skill link program (Q26G-002)</i>	-	35,637
<i>ISC - Covid-19 LEDSP (Q3QP-001)</i>	23,238	154,119
<i>ISC - Perimeter security (Q3SO-001)</i>	-	40,872
<i>ISC - Food security EMAP (Q3VJ-001)</i>	15,245	68,653
<i>ISC - Envelope 2 EMAP (Q3T4-001)</i>	-	164,683
<i>ISC - Post secondary student support program (Q29A-002)</i>	120,778	-
<i>ISC - Covid19 Safe re-ele/sec (Q2JB-001)</i>	204,581	-
<i>ISC - ICSF DIR ALL EMAP (Q3V9-002)</i>	294,800	-
<i>Tribal Chief Ventures</i>	-	124,937
Labour Market Strategy		
<i>Tribal Chiefs Employment &amp; Training Services</i>	20,067	5,865
Jordan's Principle		
<i>Tribal Chief Ventures</i>	117,104	204,767
	<b>6,670,646</b>	<b>5,172,207</b>

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

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**10. OBLIGATIONS UNDER CAPITAL LEASE**

	<b>2022</b>			<b>2021</b>	
	<b>Total</b>	<b>Deferred Finance</b>	<b>Current Portion</b>	<b>Long-Term Portion</b>	<b>Long-Term Portion</b>
	\$	\$	\$	\$	\$
Daimler Truck Financial	<b>18,280</b>	267	18,013	-	18,013
Daimler Truck Financial	<b>73,015</b>	3,449	45,667	23,899	69,578
	<b>91,295</b>	3,716	63,680	23,899	87,591

The loan payable to the Daimler Truck Financial (Water Truck) is due September, 2022 and is repayable in monthly installments of \$3,047, including interest charged at 4.99% and is secured by equipment with a net book value of \$36,476.

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 \$66,762.

Interest paid on obligations under capital lease was \$7,610 (2021 - \$12,705).

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

	\$
2023	66,687
2024	24,608
	<b>91,295</b>

**Whitefish Lake Band No. 128**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2022**

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**11. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2022	2021
	\$	\$
Tangible capital assets (Schedule 2)	80,543,306	78,385,826
Accumulated amortization (Schedule 2)	(44,201,184)	(41,131,928)
Obligations under capital lease (Note 10)	(87,579)	(218,290)
	<b>36,254,543</b>	<b>37,035,608</b>

**12. EQUITY IN TRUST FUND**

	Capital	Revenue	Total
	\$	\$	\$
Balance, beginning of year	689,053	606,050	1,295,103
Interest	-	19,652	19,652
Balance, end of year	<b>689,053</b>	<b>625,702</b>	<b>1,314,755</b>

**13. ACCUMULATED SURPLUS**

	2022	2021
	\$	\$
Unrestricted surplus (deficit)	(3,607,762)	(4,180,667)
Equity in tangible capital assets	36,254,543	37,035,608
Equity in trust funds	1,314,755	1,295,103
	<b>33,961,536</b>	<b>34,150,044</b>