

**SADDLE LAKE CREE NATION
Consolidated Financial Statements
Year Ended March 31, 2023**

SADDLE LAKE CREE NATION
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Year Ended March 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

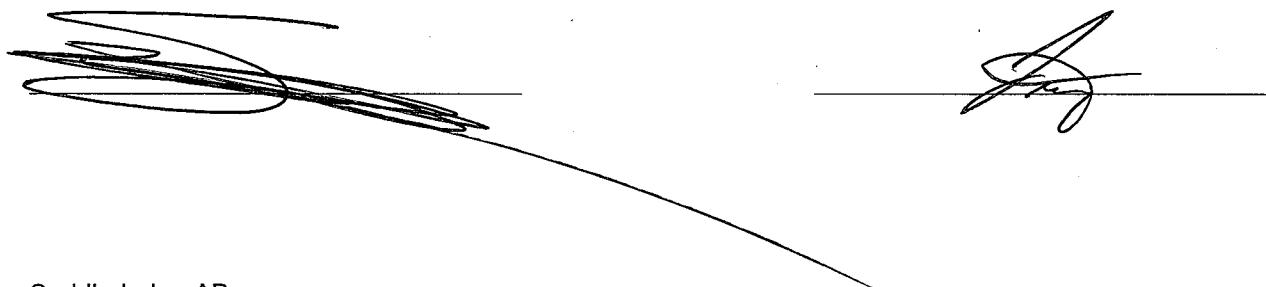
The consolidated financial statements of Saddle Lake Cree Nation have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain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

A photograph of two handwritten signatures in black ink. The signature on the left is a stylized, cursive 'S' and 'L'. The signature on the right is a more complex, flowing cursive script.

Saddle Lake, AB
August 11, 2023



KINGSTON
ROSS
PASNAK LLP

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August 16, 2023
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, 2023, 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, 2023, 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, business partnerships 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, 2023 and March 31, 2022. The Nation's share of these entities' net income is included in the 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 entities as at March 31, 2023 and March 31, 2022 and the Nation's share of these entities' 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, 2022 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.

Other Matter - Restriction on Use

The supplementary information of the Annex A schedules are prepared to assist the users of the consolidated financial statements and is not required by Canadian public sector accounting standards (PSAS). The supplementary information is not audited, and is provided solely for the purpose of assisting the users of the consolidated financial statements. Accordingly, we do not express an audit opinion over such supplementary information and the information may not be suitable for other purposes.

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

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.

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 qualified audit 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 a qualified 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.

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

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.

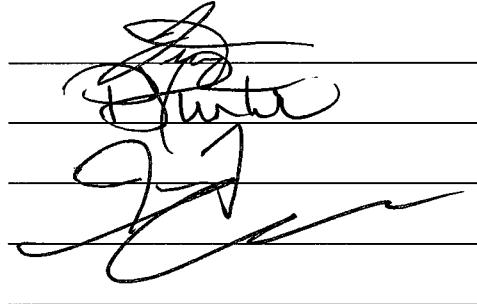
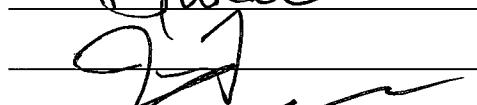
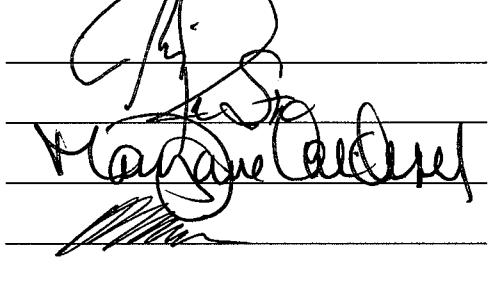
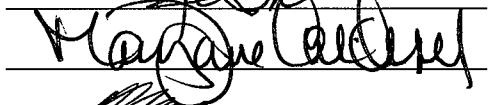
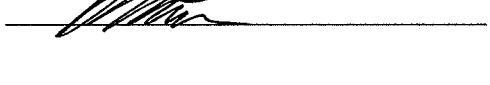
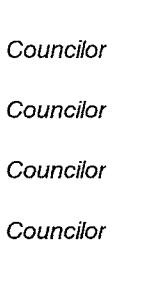
Kingston Ross Pasnak LLP

Kingston Ross Pasnak LLP
Chartered Professional Accountants

SADDLE LAKE CREE NATION
Consolidated Statement of Financial Position
March 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 69,564,583	\$ 55,470,022
Accounts receivable (Note 3)	14,942,430	6,008,796
Restricted short term investments (Note 4)	291,322	291,322
Investment in government business enterprises (Note 5)	2,560,413	1,710,068
Investment in business partnerships (Note 6)	5,070,013	4,918,569
Long term investments (Note 7)	1,830,757	1,848,294
Restricted capital trust funds (Note 9)	475,340	475,340
Restricted revenue trust funds (Note 9)	38,412	370,590
	94,773,270	71,093,001
LIABILITIES		
Accounts payable and accrued liabilities	6,899,708	5,949,043
Deferred revenue (Note 10)	48,281,358	44,689,161
Long term debt (Note 11)	9,772,225	7,415,363
Obligations under capital lease (Note 12)	238,194	333,691
	65,191,485	58,387,258
CONTINGENCIES (Note 16)		
LEASE COMMITMENTS (Note 17)		
NET FINANCIAL ASSETS	29,581,785	12,705,743
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 13)	80,768,446	49,596,017
Deposits and prepaid expenses	723,371	575,132
	81,491,817	50,171,149
ACCUMULATED SURPLUS (Note 15)	\$111,073,601	\$ 62,876,893

ON BEHALF OF THE NATION

	Chief
	Councilor
	Councilor
	Councilor
	Councilor
	Councilor
	Councilor
	Councilor

SADDLE LAKE CREE NATION

Consolidated Statement of Revenues and Expenditures and Accumulated Surplus

For the Year Ended March 31, 2023

	Budget 2023	2023	2022
REVENUE			
Indigenous Services Canada (ISC) (Note 10)	\$ 68,893,176	\$ 105,346,977	\$ 75,839,468
Indigenous Services Canada - Health (Note 10)	7,788,818	9,136,040	14,805,412
Province of Alberta	2,905,400	5,859,479	5,164,865
Other revenue	5,413,379	8,322,793	3,927,505
Indigenous Skills and Employment Training Program (ISETP) (Note 10)	1,661,800	2,937,926	3,104,059
First Nations Development Fund (FNDF) (Note 10)	772,221	1,364,357	1,432,890
Child Tax Benefit	100,239	483,336	493,951
Canada Mortgage and Housing Corporation (CMHC)	-	1,529,015	533,309
Youth Employment and Skills Strategy (YESS) (Note 10)	-	1,085,984	439,307
Capital trust funds (Note 9)	-	-	200,000
Revenue trust funds (Note 9)	940,805	350,000	50,000
Lapsed funding	-	(12,897)	(14,703)
Contributions carried forward from prior year (Note 10)	185,251	44,689,161	27,164,584
Contributions carried forward to next year (Note 10)	-	(48,281,358)	(44,689,161)
	88,661,089	132,810,813	88,451,486
EXPENDITURES			
Child Welfare	24,477,904	24,442,786	21,703,519
Public Works and Housing	6,058,082	13,484,442	14,536,083
Tribal Administration	6,713,641	12,159,241	14,027,176
Health Services	7,966,599	12,376,247	11,806,965
Education	24,263,377	11,595,988	9,434,831
Social Assistance	11,431,394	12,231,213	8,387,084
Post Secondary Education	4,267,472	4,260,695	3,766,120
Employment and Training Services	1,661,800	2,325,381	1,613,863
Social Services	1,873,254	1,844,148	1,544,885
Other Health	-	14,839	72,951
	88,713,523	94,734,980	86,893,477
SURPLUS FROM OPERATIONS	(52,434)	38,075,833	1,558,009
OTHER INCOME (EXPENSES)			
Trust claim settlement (Notes 14, 15)	-	9,414,970	-
Income (loss) from Government Business Enterprises (Note 5)	-	845,354	(202,071)
Income from investments in business partnerships (Note 6)	-	201,444	108,047
Income distribution from Onihcikiskowapowin Business Trust	-	8,843	18,138
Loss from long term investments	-	(17,558)	(1,975)
	-	10,453,053	(77,861)

(continues)

SADDLE LAKE CREE NATION**Consolidated Statement of Revenues and Expenditures and Accumulated Surplus***(continued)***For the Year Ended March 31, 2023**

	Budget 2023	2023	2022
SURPLUS OF REVENUES OVER EXPENDITURES	(52,434)	48,528,886	1,480,148
ACCUMULATED SURPLUS - BEGINNING OF YEAR	62,876,893	62,876,893	61,632,864
Net change in trust funds	-	(332,178)	(236,119)
ACCUMULATED SURPLUS - END OF YEAR (Note 15)	\$ 62,824,459	\$111,073,601	\$ 62,876,893

SADDLE LAKE CREE NATION**Consolidated Statement of Changes in Net Financial Assets****Year Ended March 31, 2023**

	Budget 2023	2023	2022
SURPLUS OF REVENUES OVER EXPENDITURES	\$ (52,434)	\$ 48,528,886	\$ 1,480,148
Acquisition of tangible capital assets (Note 13)	-	(35,097,078)	(7,977,499)
Amortization of tangible capital assets (Note 13)	-	3,924,649	3,702,112
Increase in deposits and prepaid expenses	-	(148,237)	(65,673)
Net change in trust funds	-	(332,178)	(236,119)
	-	(31,652,844)	(4,577,179)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(52,434)	16,876,042	(3,097,031)
Net financial assets - beginning of year	12,705,744	12,705,743	15,802,774
NET FINANCIAL ASSETS - END OF YEAR	\$ 12,653,310	\$ 29,581,785	\$ 12,705,743

SADDLE LAKE CREE NATION
Consolidated Statement of Cash Flow
Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Surplus of revenues over expenditures	\$ 48,528,886	\$ 1,480,148
Items not affecting cash:		
Amortization of tangible capital assets	3,924,649	3,702,112
Income (loss) from government business enterprises (Note 5)	(845,354)	202,071
Loss from long term investments	17,558	1,975
Income from investment in business partnerships (Note 6)	(201,444)	(108,047)
	51,424,295	5,278,259
Changes in non-cash working capital:		
Accounts receivable	(8,933,634)	(1,222,048)
Accounts payable and accrued liabilities	995,655	1,143,113
Deferred revenue	3,592,197	17,524,577
Deposits and prepaid expenses	(148,238)	(65,672)
	(4,494,020)	17,379,970
Cash flow from operating activities	46,930,275	22,658,229
FINANCING ACTIVITIES		
Proceeds from long term financing	2,735,275	5,107,519
Repayment of long term debt	(378,414)	(523,101)
Repayment of obligations under capital lease	(95,497)	(91,768)
Cash flow from financing activities	2,261,364	4,492,650
CAPITAL ACTIVITIES		
Acquisitions of tangible capital assets (Note 13)	(35,097,078)	(7,977,499)
INCREASE IN CASH FLOW	14,094,561	19,173,380
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	55,470,022	36,296,642
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 69,564,583	\$ 55,470,022

SADDLE LAKE CREE NATION**Consolidated Schedule of Total Expenses by Object****(Schedule 1)****Year Ended March 31, 2023**

	Budget 2023	2023	2022
Wages and benefits	\$ 30,340,628	\$ 23,439,663	\$ 24,523,200
Child welfare operations	24,224,804	19,212,006	13,183,362
Travel, meetings, workshops	2,740,071	6,609,392	5,544,052
Direct social assistance	10,176,233	6,540,027	5,915,395
Office and general	2,444,243	6,456,460	5,838,967
Repairs and maintenance	4,849,880	6,086,479	5,182,245
Materials, goods and utilities	3,927,712	6,083,262	4,551,926
COVID-19 expenses	-	4,651,656	1,816,196
Contracted and program services	5,545,832	4,302,540	11,439,860
Amortization	-	3,924,649	3,702,112
Post secondary allowances and tuition	3,450,000	3,578,665	3,070,843
Donations, sponsorships and honorariums	272,429	1,809,015	619,085
Professional fees	719,583	1,722,049	1,396,135
Interest and bank charges	22,108	319,117	110,099
	\$ 88,713,523	\$ 94,734,980	\$ 86,893,477

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

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.
- The Saddle Lake Wah-Koh-To-Win Society
- 1786228 Alberta Ltd.

As a result, figures as at March 31, 2023 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.

(continues)

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

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

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.

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.

(continues)

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in government business enterprises and business partnerships

The investments in government business enterprises and business partnerships 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 and business partnerships 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 and housing	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 \$766,652 (2022 - \$685,399) 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 arm's length financial instruments are initially measured at fair value, and, unless otherwise noted, the Nation subsequently measures its financial instruments at amortized cost.

The measurement basis for related party financial instruments is disclosed in Note 8.

SADDLE LAKE CREE NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2023****3. ACCOUNTS RECEIVABLE**

	2023	2022
Accounts receivable include amounts due from the following:		
Other receivables	\$ 1,779,262	\$ 2,078,208
Trust claim settlement	9,414,970	-
Province of Alberta	3,001,267	2,793,720
Indigenous Services Canada (ISC)	1,367,429	602,500
First Nations Development Fund	300,000	700,000
Canada Revenue Agency	30,153	44,832
Canada Mortgage and Housing Corporation	19,349	360,000
	15,912,430	6,579,260
Allowance for doubtful accounts	(970,000)	(570,464)
	\$ 14,942,430	\$ 6,008,796

The balance due from Indigenous Services Canada includes:

- \$665,870 - fiscal 2021 and fiscal 2023 Maintenance – Group Homes – fixed contribution.
- \$350,000 - fiscal 2021 and fiscal 2022 Prev/Least Disruptive Measures – fixed contribution.
- \$339,129 - fiscal 2023 Water – Under \$1.5M – fixed contribution.
- \$12,430 - fiscal 2021 and fiscal 2023 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 an average rate of 4.05% and mature in September 2023 and December 2023. 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, 2023****5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES**

	2023	2022
Balance beginning of year	\$ 1,710,068	\$ 1,913,744
Share of income (loss)	845,354	(202,071)
Net advances to (from) government business enterprises	4,991	(1,605)
	\$ 2,560,413	\$ 1,710,068

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, 2023
Saddle Lake Building Supplies Ltd.	100%	December 31, 2022

Unaudited aggregate balance sheet information:

Assets		
Current assets	\$ 2,858,994	\$ 1,900,714
Capital assets	2,097,687	2,254,148
Other assets	35,280	35,280
	\$ 4,991,961	\$ 4,190,142
Liabilities		
Current liabilities	\$ 950,463	\$ 894,091
Other liabilities	2,559,883	2,659,789
Equity	1,481,615	636,262
	\$ 4,991,961	\$ 4,190,142

Unaudited aggregate income statement information:

Revenue	\$ 10,437,525	\$ 8,132,410
Expenses	(9,592,171)	(8,334,481)
Net income (loss)	\$ 845,354	\$ (202,071)

SADDLE LAKE CREE NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2023****6. INVESTMENT IN BUSINESS PARTNERSHIPS**

	2023	2022
Balance beginning of year	\$ 4,918,569	\$ 4,860,522
Share of income	201,444	108,047
Partner draws from business partnerships	(50,000)	(50,000)
	\$ 5,070,013	\$ 4,918,569

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

	% ownership	Year end
Saddle Lake Smoke Eaters LP	100.00%	March 31, 2023
Seven Lakes LP	8.33%	December 31, 2022
Pimee Well Servicing LP	16.67%	December 31, 2022

Unaudited aggregate balance sheet information:

Assets		
Current assets	\$ 2,701,165	\$ 2,782,661
Capital assets	5,529,898	5,249,830
Other assets	747,941	615,927
	8,979,004	8,648,418
Liabilities		
Current liabilities	1,990,010	1,935,437
Other liabilities	634,349	493,588
Equity	4,332,629	4,289,277
Equity in LP units	2,022,016	1,930,116
	8,979,004	8,648,418

Unaudited aggregate income statement information:

Revenue	\$ 13,002,228	\$ 10,882,299
Expenses	(12,800,784)	(10,774,252)
Net income	\$ 201,444	\$ 108,047

7. LONG TERM INVESTMENTS

	2023	2022
Pimee Well Servicing Ltd.	\$ 1,782,864	\$ 1,800,422
United Farmers of Alberta Equity	47,893	47,872
	\$ 1,830,757	\$ 1,848,294

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

8. RELATED PARTY TRANSACTIONS

During the year, Saddle Lake Cree Nation entered into transactions with its owned entities, government business enterprises and business partnerships. These transactions are in the normal course of operations and are measured at cost, which is equal to the undiscounted cash flows received, not including expected interest, less any previously recognized impairment losses. Any transactions with consolidated subsidiaries have been eliminated.

9. 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 15) as equity in trust funds.

	2023	2022
Capital trust fund		
Beginning of year	\$ 475,340	\$ 675,340
Income from royalties	-	-
Transfer to Nation programs	-	(200,000)
	475,340	475,340
 Revenue trust fund		
Beginning of year	370,590	406,709
Income from royalties and interest	17,822	13,881
Transfer to Nation programs	(350,000)	(50,000)
	38,412	370,590
 Total trust funds	\$ 513,752	\$ 845,930

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

10. DEFERRED REVENUE

Deferred revenue represents funding received during the year that has not been expended as at March 31, 2023.

	Opening balance	Contributions received	Revenue recognized	Ending balance
Indigenous Services Canada (ISC)				
- Health	\$ 8,881,650	\$ 9,136,040	\$ 12,661,207	\$ 5,356,483
Indigenous Services Canada (ISC)	31,714,105	105,346,977	96,766,905	40,294,177
Indigenous Skills and Employment Training Program (ISETP)	1,992,663	2,937,926	3,129,373	1,801,216
First Nations Development Fund (FNDF)	67,568	1,364,357	1,431,925	-
Youth Employment and Skills Strategy (YESS)	229,497	1,085,984	885,997	429,484
Other	1,803,678	399,998	1,803,678	399,998
	\$ 44,689,161	\$120,271,282	\$116,679,085	\$ 48,281,358

DEFERRED REVENUE

2023

<u>Indigenous Services Canada (ISC) - Health</u>	
Q21G - Mental Wellness	\$ 2,501,230
Q22U - Service Delivery	618,764
Q22K - Alberta Headstart on Reserve	592,375
Q23X - Community Disaster Emergency	481,223
Q22N - Community Health Representative	457,017
Q221 - Aboriginal Diabetes Initiative	174,339
Q21M - IRS - Resolution	117,855
Q22G - CPNP	113,752
Q300 - Capital Investments	94,375
Q30P - Health Planning	93,232
Q22H - FASD	84,879
Q23Z - HIV/AIDS Prevention	17,084
Q02U - Oral Health	10,358
	\$ 5,356,483

(continues)

SADDLE LAKE CREE NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2023****DEFERRED REVENUE (*continued*)****Indigenous Services Canada (ISC)**

Q2C3 - CFS Prevention	\$ 6,675,937
Q3XG - Design and Construction	4,132,455
Q2C6 - FNCFS Capital	4,058,629
Q2AF - Basic Needs	3,104,646
QA2L - Roads and Bridges	2,625,000
Q3V9 - Direct Allocation	2,485,981
Q3X7 - Water Over \$1.5M	2,369,013
QA1F - Housing Subdivisions	2,175,000
Q2BW - Community Based Initiative	1,806,912
Q29T - Income Assistance - Social Assistance	1,791,054
Q290 - Post Secondary Education	1,521,452
Q3X9 - Wastewater Over \$1.5M	1,420,850
Q2C7 - FN Representative Service	1,197,503
Q28N - School Effectiveness	1,189,071
Q3UQ - Culture and Recreation	755,755
Q3TJ - LTDWA Acceleration	401,032
Q20L - Jordan's Principle	384,386
Q3X8 - Water Under \$1.5M - Health	355,385
Q3X8 - Water Under \$1.5M - Education	339,129
Q2BA - Assisted Living	329,136
QA2W - Fire Protection Equipment	230,242
Q2J2 - Implementation and Expansion	172,382
Q36R - Renovation and Additions	162,036
Q36N - Capital Planning	107,100
Q04G - Admin and Support - Estates	100,639
Q35G - Capacity Building	85,600
Q3H2 - Capacity Enhancement	66,025
Q3TG - Wastewater Under \$1.5M	50,355
Q3H3 - Asset Management Plan	37,837
Q34X - A&C Water	34,757
Q3OF - Infrastructure Construction	31,022
Q3FO - Preparedness & Mitigation	29,919
Q3VT - Community Opportunity Readiness	25,000
Q3X8 - Water Under \$1.5M	23,687
Q3XM - Capacity and Innovation	19,250

\$ 40,294,177

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

SADDLE LAKE CREE NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2023****11. LONG TERM DEBT**

	2023	2022
Project #005 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 3.98% per annum, and is repayable in monthly blended payments of \$12,492. The mortgage renews on November 1, 2027, matures on November 1, 2047 and is secured by a ministerial guarantee.	\$ 2,368,360	\$ 2,032,216
Rapid Housing Initiative (RHI) advance #1 from Canada Mortgage and Housing Corporation to assist the Nation in the construction of affordable multi-residential housing units. The advances bear no interest and are repayable if the terms of the agreement are not fully complied with.	1,847,893	1,847,893
Rapid Housing Initiative (RHI) advance #2 from Canada Mortgage and Housing Corporation to assist the Nation in the construction of affordable multi-residential housing units. The advances bear no interest and are repayable if the terms of the agreement are not fully complied with.	1,431,497	-
Project #004 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 3.98% per annum, and is repayable in monthly blended payments of \$6,441. The mortgage renews on November 1, 2027, matures on November 1, 2047 and is secured by a ministerial guarantee.	1,224,386	1,051,313
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 on the earlier of March 31, 2027 or the date on which the claim is settled.	1,107,828	907,828
Project #006 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at the rate determined by the lender, along with the repayment terms, upon substantial completion of the build. The mortgage renews on October 30, 2025, matures on October 30, 2045 and is secured by a ministerial guarantee.	812,400	812,400
Project #007 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at the rate determined by the lender, along with the repayment terms, upon substantial completion of the build. The mortgage renews on July 1, 2028, matures on July 1, 2048 and is secured by a ministerial guarantee.	521,733	-
TD financing bearing interest at prime plus 1.45% per annum, repayable in monthly fixed payments of \$4,028 plus interest. The loan matures on September 22, 2026 and is secured by equipment with a carrying value of \$130,466.	159,874	169,388
Project #003 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 1.57% per annum, repayable in monthly blended payments of \$1,923. The mortgage renewed on December 1, 2021, matures on October 1, 2026 and is secured by a ministerial guarantee.	80,467	102,007

(continues)

SADDLE LAKE CREE NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2023****11. LONG TERM DEBT (*continued*)**

	2023	2022
Project #002 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 1.13% per annum, repayable in monthly blended payments of \$1,775. The mortgage renewed on June 1, 2021, matures on May 1, 2026 and is secured by a ministerial guarantee.	66,287	86,650
TD financing bearing interest at prime plus 1.70% 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.	59,939	102,249
Project #001 mortgage payable to Canada Mortgage and Housing Corporation bearing interest at 0.83% per annum, repayable in monthly blended payments of \$2,256. The mortgage renewed on September 1, 2020, matures on April 1, 2025 and is secured by a ministerial guarantee.	55,945	82,399
TD financing bearing interest at prime plus 1.00% 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.	18,014	48,894
TD financing bearing interest at prime plus 1.00% 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.	9,882	128,470
TD financing bearing interest at prime plus 1.70% 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.	7,720	18,014
BMO financing repaid during the year.	-	25,642
	\$ 9,772,225	\$ 7,415,363

Principal repayment terms are approximately:

2024	\$ 778,078
2025	225,053
2026	594,643
2027	334,612
2028	98,972
Thereafter	<u>7,740,867</u>
	<u>\$ 9,772,225</u>

Interest paid on long-term debt amounted to \$202,988 (2022 - \$34,640) during the year.

(continues)

SADDLE LAKE CREE NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2023****11. LONG TERM DEBT (*continued*)**

As at March 31, 2023, 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 7.45% at year end). As at March 31, 2023, the loan was not drawn upon.

As at March 31, 2023, 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 (7.45% effective rate at year end). As at March 31, 2023, the loan was drawn upon for \$95,556 (2022 - \$297,627). 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.

12. OBLIGATIONS UNDER CAPITAL LEASE

	2023	2022
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 \$239,951.	\$ 238,194	\$ 333,691

Future minimum capital lease payments are approximately:

2024	\$ 107,078
2025	107,078
2026	<u>35,693</u>
Total minimum lease payments	249,849
Less: amount representing interest	<u>(11,655)</u>
	\$ 238,194

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

13. TANGIBLE CAPITAL ASSETS

COST	2022	Acquisitions	Disposals	2023
Land	\$ 647,730	\$ 80,000	\$ -	\$ 727,730
Buildings and housing	32,201,099	22,303,716	-	54,504,815
Engineering structures	18,477,974	1,239,380	-	19,717,354
Automotive	13,293,316	2,131,495	-	15,424,811
Paving and roads	9,323,381	6,879,011	-	16,202,392
Equipment	2,176,816	368,756	-	2,545,572
Computer equipment	1,148,978	139,112	-	1,288,090
Data Network Infrastructure Equipment	490,151	1,955,608	-	2,445,759
	\$ 77,759,445	\$ 35,097,078	\$ -	\$ 112,856,523

ACCUMULATED AMORTIZATION	2022	Amortization	Disposals	2023
		expense		
Land	\$ -	\$ -	\$ -	\$ -
Buildings and housing	5,887,882	1,048,486	-	6,936,368
Engineering structures	7,641,970	610,334	-	8,252,304
Automotive	10,147,675	1,276,197	-	11,423,872
Paving and roads	2,071,671	709,682	-	2,781,353
Equipment	1,479,987	137,340	-	1,617,327
Computer equipment	934,243	142,610	-	1,076,853
	\$ 28,163,428	\$ 3,924,649	\$ -	\$ 32,088,077

NET BOOK VALUE	2022	2023
Land	\$ 647,730	\$ 727,730
Buildings and housing	26,313,217	47,568,447
Engineering structures	10,836,004	11,465,050
Automotive	3,145,641	4,000,939
Paving and roads	7,251,710	13,421,039
Equipment	696,829	928,245
Computer equipment	214,735	211,237
Data Network Infrastructure Equipment	490,151	2,445,759
	\$ 49,596,017	\$ 80,768,446

Included above is an automotive held under capital lease (Note 12) with a cost of \$521,250, accumulated amortization of \$281,299 and a net book value of \$239,951.

14. TRUST ACCOUNT CLAIM SETTLEMENT

The Nation filed a claim against Her Majesty the Queen in 1986 regarding oil and gas issues affecting the Nation. After various mediation, a settlement was fully executed and approved by the parties, effective on March 29, 2023. The approved settlement was apportioned between the Nation and another Alberta First Nation based on their current populations, the use of which is undetermined at the report date. While the Nation's portion of the settlement was received subsequent to year end, it has been accrued in these financial statements, based on the aforementioned settlement execution date.

SADDLE LAKE CREE NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2023****15. ACCUMULATED SURPLUS**

	2023	2022
Unrestricted surplus	\$ 21,563,008	\$ 12,544,401
Equity in Trust account claim settlement (<i>Note 14</i>)	9,414,970	-
Equity in trust funds (<i>Note 9</i>)	513,752	845,930
Equity in tangible capital assets	70,120,688	41,009,631
Equity in investments	9,461,183	8,476,931
	<u>\$111,073,601</u>	<u>\$ 62,876,893</u>

16. CONTINGENCIES

The Nation has provided a guarantee to TD Canada Trust in the amount of \$200,000 for a demand revolving credit facility utilized by one of its business partnerships. The general security agreement is a first charge on all present and after acquired personal property. The amount outstanding as of March 31, 2023 is \$nil.

The Nation has provided a guarantee to TD Canada Trust in the amount of \$2,540,000 for a term loan utilized by one of its government business enterprises. The general security agreement is a first charge on all present and after acquired personal property. The amount outstanding as of March 31, 2023 is \$1,543,335.

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

17. LEASE COMMITMENTS

On March 22, 2023, the Wahkohtowin Child Care Society, the Nation's Child Welfare program, entered into a long term lease agreement with respect to its premises, with a commencement date of April 3, 2023. The lease expires on March 31, 2028. Future minimum lease payments as at year end are as follows:

2024	\$ 300,000
2025	300,000
2026	300,000
2027	300,000
2028	300,000
	<u>\$ 1,500,000</u>

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

18. 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 \$200,000 (2022 - \$161,514) and are not subject to interest on the amounts owing.

	2023	2022
Advances		
Advances received	\$ 200,000	\$ 161,514
Prior year surplus	-	32,489
Funding available	200,000	194,003
Expenditures		
Nation costs		
Nation travel	(47,065)	(25,318)
Negotiator	(4,424)	(7,000)
Meeting rooms/hall rental	(2,000)	(2,000)
Elder	(440)	(1,540)
Legal		
Gowling WLG - Fees, disbursements, and travel	(100,000)	(86,568)
Professional fees		
Research Analyst - Fees, disbursements and travel	(28,571)	(28,571)
Deloitte LLP - Fees, disbursements and travel	(12,500)	(12,500)
GLJ Ltd. - Fees, disbursements and travel	-	(25,506)
Other		
Administration	(5,000)	(5,000)
Total expenditures	(200,000)	(194,003)
Unspent advances, end of year	\$ -	\$ -

SADDLE LAKE CREE NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

19. 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, 2023. 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.

20. 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.

21. COMPARATIVE FIGURES

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

SADDLE LAKE CREE NATION
Consolidated Notes to Financial Statements
March 31, 2023

21. CONSOLIDATED SEGMENT DISCLOSURES

2023 Fiscal Year	Public Works	Employment & Training Services	Education	Post Secondary	Social Assistance	Social Services	Child Welfare	Tribal Administration	Other Health	Health Care Centre	2023 Total	2022 Total
Revenue												
ISC Block Contribution funding	4,933,094	-	6,293,091	3,720,403	11,229,568	232,512	-	1,995,136	-	607,596	29,011,400	26,839,141
ISC Fixed Contribution funding	14,347,995	-	16,291,110	914,804	3,276,780	-	34,897,332	866,067	-	10,000	70,604,087	35,228,673
ISC Set Contribution funding	3,017,297	-	-	-	-	-	-	94,155	-	-	3,111,452	84,221
ISC Flexible Contribution funding	-	-	-	-	-	-	1,413,585	1,206,453	-	-	2,620,038	13,687,433
ISC Health Flexible Funding	-	-	-	-	-	-	-	-	-	6,771,111	6,771,111	13,520,080
Health Canada (FNIBH) Set funding	-	-	-	-	-	-	-	-	-	1,273,773	1,273,773	-
Other Revenue	2,210,401	200,881	458,683	14,388	29,953	52,840	28,716	4,981,986	69,904	-	7,886,603	3,486,097
Province of Alberta	2,580,498	-	-	-	-	-	3,278,982	-	-	-	5,859,479	5,164,865
ISETP/IELCC Revenue	-	2,937,926	-	-	-	-	-	-	-	-	2,937,926	3,104,059
Service Canada - Youth Employment and Skills Strategy	-	1,085,984	-	-	-	-	-	-	-	-	1,085,984	439,307
First Nation Development fund (FNDF)	-	-	-	-	-	-	-	1,364,357	-	-	1,364,357	1,432,890
Child Tax Benefit	-	-	-	-	-	-	483,336	-	-	-	483,336	493,951
Capital Trust funds	-	-	-	-	-	-	-	-	-	-	200,000	-
ISC Health Canada Fixed Funding	-	-	-	-	-	-	-	-	-	1,091,156	1,091,156	1,485,332
Revenue Trust funds	-	-	-	-	-	-	-	350,000	-	-	350,000	50,000
Canada Mortgage and Housing Corporation (CMHC)	1,529,015	-	-	-	-	-	-	-	-	-	1,529,015	533,309
Contributions carried forward from prior year	8,044,407	2,222,160	9,880,266	1,427,798	7,063,189	284,960	-	6,884,730	-	8,881,651	44,689,161	27,164,584
Contributions carried forward to next year	(10,355,343)	(2,230,699)	(6,486,558)	(1,521,452)	(4,895,701)	-	(11,932,070)	(4,818,531)	-	(6,041,004)	(48,281,358)	(44,689,161)
(Lapsed) recovered funding	-	-	-	-	(12,897)	-	-	-	-	-	(12,897)	(14,703)
Property Tax Revenue	-	-	-	-	-	-	-	316,722	-	-	316,722	329,530
Fuel and Tobacco	-	-	-	-	-	-	-	119,466	-	-	119,466	111,878
Income allocation from Onihiikiskowapowin Business Trust	-	-	-	-	-	-	-	8,843	-	-	8,843	18,138
(Loss) Income from Government Business Enterprises	-	-	-	-	-	-	-	845,354	-	-	845,354	(202,071)
(Loss) Income from business partnerships	-	-	-	-	-	-	-	201,444	-	-	201,444	108,047
Trust claim settlement	-	-	-	-	-	-	-	9,414,970	-	-	9,414,970	-
Income from Investments	-	-	-	-	-	-	-	(17,558)	-	-	(17,558)	(1,975)
Total Revenue	26,307,365	4,216,252	26,436,592	4,555,940	16,690,892	570,311	28,169,880	23,813,595	69,904	12,594,283	143,263,866	88,373,627
Expenses												
Wages and benefits	3,754,908	601,213	6,875,894	226,381	1,031,064	787,063	1,741,223	4,093,718	-	4,362,859	23,474,322	24,506,783
Contracted and program services	2,562,026	20,985	572,695	71,709	64,928	5,430,776	1,325,858	-	-	387,232	10,436,208	11,860,085
Professional fees	57,697	35,381	48,980	15,700	36,851	12,533	813,470	647,055	-	44,313	1,711,980	1,395,635
Bad debts	-	-	-	-	-	-	399,536	70,604	-	-	470,140	670,464
Materials, goods and utilities	1,486,244	19,591	1,226,125	-	8,611	43,045	125,441	527,284	-	2,680,541	6,116,882	4,564,610
Amortization of tangible capital assets	2,599,924	31,894	313,476	23,999	11,388	769	109,269	126,729	657	706,544	3,924,649	3,702,112
Post secondary allowances and tuition	-	765,131	60,226	1,008,444	-	34,968	-	-	-	-	1,868,769	1,662,348
Repairs and maintenance	1,009,670	61,070	1,005,333	-	38,161	8,925	38,428	28,397	11,487	209,834	2,411,305	4,833,457
Travel, Meetings, Workshops	210,587	364,675	337,947	145,507	409,088	282,171	1,457,799	1,701,547	-	1,444,647	6,353,966	5,205,264
Insurance	-	-	272,852	-	-	5,905	11,511	89,052	-	86,357	465,677	-
Office and general	509,306	209,934	136,743	241,400	123,447	62,419	330,414	714,864	900	40,615	2,370,041	2,233,685
Donations, sponsorships and honorariums	38,633	11,210	65,799	11,857	47,812	4,900	101,556	1,876,094	-	10,200	2,168,662	843,301
Interest and bank charges	213,450	1,080	52,430	2,472	1,733	1,154	-	-	1,198	-	319,116	110,784
Automotive	978,303	40,525	299,171	-	-	-	21,816	43,841	-	227,400	1,611,056	959,371
Rent	6,805,80	-	-	-	-	-	(500)	-	-	-	6,306	-
Training Allowance	-	162,693	-	1,654,890	-	356,556	-	-	-	-	2,174,139	1,985,477
Advertising	-	-	9,881	-	-	-	289	36,551	-	-	46,721	9,214
Child welfare payments	-	-	-	-	-	-	13,237,872	-	-	-	13,237,872	10,419,436
Direct social assistance	-	-	-	-	6,540,027	147,123	552,858	218,396	-	-	7,458,404	6,627,107
Governance	-	-	-	-	-	-	-	87,615	-	-	87,615	-
Covid	-	-	52,690	552,467	3,983,030	-	63,470	-	-	-	4,651,656	1,570,082
Other	56,888	-	265,746	305,869	-	31,689	6,976	526,620	597	2,336,853	3,370,090	3,835,260
Total Expenses	13,484,440	2,325,381	11,595,989	4,260,697	12,231,211	1,844,148	24,442,785	12,159,245	14,839	12,537,394	94,734,980	86,893,477
Surplus (Deficit) before transfers	12,822,926	1,890,872	14,840,603	295,242	4,459,681	(1,273,836)	3,727,094	11,654,349	55,065	56,889	48,528,886	1,480,148
Transfers												
CCTB transfers	135,000	-	105,000	-	(1,293,945)	1,018,945	-	35,000	-	-	-	-
WOP transfers	8,739	-	1,830	-	(121,636)	92,884	-	18,183	-	-	-	-
Office rent	316,059	(500)	(10,570)	(11,370)	(38,734)	(20,153)	(112,642)	(121,690)	-	(400)	-	-
Accounting fee	(24,000)	(22,000)	(32,000)	(9,000)	(15,000)	(9,000)	(40,000)	191,000	-	(40,000)	-	-
Administration fee	1,000,000	-	-	-	(2,520,600)	-	(19,800)	1,784,993	-	(244,593)	-	-
Hampers	-	(2,500)	(5,000)	(5,000)	-	67,500	(10,000)	(35,000)	-	(10,000)	-	-
Garbage	27,375	(3,000)	(11,900)	-	-	-	(1,225)	-	-	(11,250)	-	-
Transfer from Post Secondary	-	-	98,137	(107,926)	-	-	-	9,788	-	-	-	-
Transfer from Health	-	-	635,478	-	-	-	-	-	-	-	(635,478)	-
Transfers to Administration	-	(666,187)	-	-	(82,486)	-	(574,847)	1,473,519	-	(150,000)	-	-
Transfers to Education	(120,910)	(1,332,860)	1,453,770	-	-	-	-	-	-	-	-	-
Transfer to Health	(356,988)	-	-	-	-	-	-	-	-	-	356,988	-
Transfer to Public Works	962,872	-	-	-	-	-	-	(962,872)	-	-	-	-
Transfer to Human Resource Development	(34,923)	34,923	-	-	(333,042)	358,944	-	(25,902)	-	-	-	-
Transfers to Social Services	-	-	-	-	-	-	-	-	-	-	-	-
Total Transfers	1,913,225	(1,992,124)	2,234,745	(133,295)	(4,405,443)	1,509,120	(758,515)	2,367,022	-	(734,735)	-	-
Surplus (Deficit) after transfers	14,736,150	(101,253)	17,075,348	161,948	54,238	235,283	2,968,580	14,021,371	55,065	(677,844)	48,528,886	1,480,148

Whitefish Lake Band No. 128
Financial Statements
March 31, 2023

Whitefish Lake Band No. 128

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying 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 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 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

Edward Cheung, 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: Whitfish Lake Band No. 128

Opinion

We have audited the financial statements of Whitefish Lake First Nation No. 128 (the Nation), which comprise the statement of financial position as at March 31, 2023, and the results of its operations, changes in its net financial assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Whitefish Lake First Nation No. 128 as at March 31, 2023, 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 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 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 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 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 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 financial statements, including the disclosures, and whether the 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 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.

July 17, 2023
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1

Doyle & Company
Chartered Professional Accountants

Whitefish Lake Band No. 128

Statement of Financial Position

As at March 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	20,204,310	10,034,709
Restricted cash (Note 3)	1,347,889	1,314,756
Investments (Note 4)	40,292	40,292
Accounts receivable (Note 5)	2,986,956	1,229,837
	24,579,447	12,619,594
LIABILITIES		
Line of credit (Note 6)	1,391,717	-
Accounts payable (Note 7)	2,747,142	3,837,117
Deferred contributions - Own Source (Note 8)	5,254,055	4,555,621
Deferred contributions - Funding (Note 9)	17,558,151	6,670,646
Obligations Under Capital Lease (Note 10)	23,908	87,579
	26,974,973	15,150,963
NET FINANCIAL DEBT	(2,395,526)	(2,531,369)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	38,284,233	36,342,122
Prepaid expenses	202,393	150,783
	38,486,626	36,492,905
ACCUMULATED SURPLUS (Schedule 1 and Note 13)	36,091,100	33,961,536

Approved by the Band:

Original Signed by: _____ Chief

Original Signed by: _____ Councilor

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128

Statement of Financial Activities

For the year ended March 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
REVENUE			
Indigenous Services Canada	31,433,852	31,433,852	19,436,149
First Nation Development Fund	1,269,289	997,446	669,631
Health Canada	5,813,238	5,813,238	5,759,375
Tribal Chiefs Employment and Training	1,773,665	2,357,984	2,004,948
Canada Housing and Mortgage Corporation	-	-	3,663
Other revenue	4,328,967	8,293,158	4,163,296
Revenue deferred from previous period	10,835,927	11,226,267	8,564,636
Revenue deferred to subsequent period	-	(22,812,206)	(11,226,267)
	55,454,938	37,309,739	29,375,431
EXPENDITURES			
Administration	1,950,494	3,676,464	2,623,781
Consultation and IBA	1,142,488	974,045	757,014
Daycare Centre	315,182	330,919	353,297
Economic Development	-	205,661	73,332
Education - Administration	2,014,869	2,156,319	211,335
Education - Bussing	657,261	867,570	795,018
Education - Post-Secondary	1,202,632	1,158,433	1,113,541
Education - School	3,024,024	3,698,147	3,014,386
Enhanced delivery	525,319	496,323	597,859
Health Services	4,216,133	4,374,831	5,615,527
Housing	1,027,571	1,025,870	1,474,259
National Governance	450,000	390,416	48,549
Public Works	1,907,526	5,174,822	2,988,601
Recreation	482,028	452,244	178,298
Royal Bank Agency	58,063	74,179	66,229
Social Services	2,891,471	3,928,030	2,350,621
Social Services - Delivery	573,505	825,629	745,045
Emergency Response - Covid 19	1,068,688	871,210	2,464,468
Tribal Chiefs Employment and Training	425,440	436,387	433,527
Labour Market Strategy	75,308	31,385	39,593
Jordan's Principle	677,034	887,146	570,055
	24,685,036	32,036,030	26,514,335
Excess of Revenue Over Expenditures			
Before Other Revenue (Expenditures)	30,769,902	5,273,709	2,861,096
Other Revenue (Expenditures)			
Amortization	-	(3,177,279)	(3,069,256)
EXCESS OF REVENUE OVER EXPENDITURES	30,769,902	2,096,430	(208,160)

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128
Statement of Change in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
EXCESS OF REVENUE OVER EXPENDITURES	30,769,902	2,129,564	(188,508)
Acquisition of tangible capital assets	-	(5,119,390)	(2,157,480)
Amortization of tangible capital assets	-	3,177,279	3,069,256
	30,769,902	(1,942,111)	911,776
Acquisition of prepaid assets	(51,610)	(51,610)	(150,783)
DECREASE IN NET FINANCIAL DEBT	30,769,902	135,843	572,485
NET FINANCIAL DEBT, BEGINNING OF YEAR	-	(2,531,369)	(3,103,854)
NET FINANCIAL DEBT, END OF YEAR	-	(2,395,526)	(2,531,369)

Whitefish Lake Band No. 128

Statement of Cash Flows

For the year ended March 31, 2023

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and other income	35,552,620	28,832,465
Cash paid to suppliers and employees	(21,591,675)	(23,384,185)
	13,960,945	5,448,280
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term liabilities	(63,671)	(330,711)
Line of credit obtained	1,391,717	-
	1,328,046	(330,711)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(5,119,390)	(2,157,480)
Increase in investments	-	(92)
	(5,119,390)	(2,157,572)
INCREASE IN CASH	10,169,601	2,959,997
CASH, BEGINNING OF YEAR	10,034,709	7,074,712
CASH, END OF YEAR	20,204,310	10,034,709

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128
Schedule of Changes in Accumulated Surplus - Schedule 1
For the year ended March 31, 2023

	Unrestricted Surplus \$	Equity in Tangible Capital Assets \$	Equity in Trust Funds \$	2023 \$	2022 \$
Balance, Beginning of Year	(3,607,762)	36,254,543	1,314,755	33,961,536	34,150,044
Excess of revenue over expenditures	2,096,430	-	33,134	2,129,564	(188,508)
Current years funds used for tangible capital assets	(5,119,390)	5,119,390	-	-	-
Annual amortization expense	3,177,279	(3,177,279)	-	-	-
Long-term liabilities repaid	(63,671)	63,671	-	-	-
Change in accumulated surplus	90,648	2,005,782	33,134	2,129,564	(188,508)
Balance, End of Year	(3,517,114)	38,260,325	1,347,889	36,091,100	33,961,536

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128
Statement of Tangible Capital Assets - Schedule 2
For the year ended March 31, 2023

	Automotive and Equip. \$	Buildings & Housing \$	Furniture and Equip. \$	Engineered Structures \$	2023 \$	2022 \$
COST:						
Balance, Beginning of Year	13,152,430	31,573,478	519,811	35,297,587	80,543,306	78,385,826
Acquisition of tangible capital assets	1,356,714	3,043,600	-	719,076	5,119,390	2,157,480
Balance, End of Year	14,509,144	34,617,078	519,811	36,016,663	85,662,696	80,543,306
ACCUMULATED AMORTIZATION:						
Balance, Beginning of Year	10,562,115	25,617,576	240,579	7,780,914	44,201,184	41,131,928
Annual amortization	979,852	747,770	55,846	1,393,811	3,177,279	3,069,256
Balance, End of Year	11,541,967	26,365,346	296,425	9,174,725	47,378,463	44,201,184
NET BOOK VALUE	2,967,177	8,251,732	223,386	26,841,938	38,284,233	36,342,122
2022 NET BOOK VALUE	2,590,315	5,955,902	279,232	27,516,673	36,342,122	

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128
Statement of Financial Activities by Program - Schedule 3
For the year ended March 31, 2023

	ISC Revenue \$	Trust Funds \$	Other Revenue \$	Total Revenue \$	Total Expenditures \$	Surplus (Deficit) \$	2022 Surplus (Deficit) \$
Administration	2,825,125	-	1,171,735	3,996,860	3,676,464	320,396	(513,878)
Consultation and IBA	-	-	1,396,612	1,396,612	974,045	422,567	200,000
Daycare Centre	81,000	-	249,919	330,919	330,919	-	-
Economic Development	160,258	-	45,403	205,661	205,661	-	86,926
Education - Administration	1,900,711	-	255,608	2,156,319	2,156,319	-	-
Education - Bussing	562,506	-	77,784	640,290	867,570	(227,280)	(209,940)
Education - Post Secondary	1,301,549	-	(143,116)	1,158,433	1,158,433	-	-
Education - School	3,729,666	-	195,737	3,925,403	3,698,147	227,256	336,940
Enhanced Delivery	289,428	-	206,895	496,323	496,323	-	(14)
Health Services	-	-	4,627,322	4,627,322	4,374,831	252,491	-
Housing	3,736,093	-	270,728	4,006,821	1,025,870	2,980,951	320,645
National Governance	75,880	-	414,536	490,416	390,416	100,000	(500,000)
Public Works	11,674,535	-	(5,252,472)	6,422,063	5,174,822	1,247,241	1,339,834
Recreation	-	-	452,250	452,250	452,244	6	(72,598)
Royal Bank Agency	-	-	39,938	39,938	74,179	(34,241)	(22,697)
Social Services	3,969,041	-	(41,011)	3,928,030	3,928,030	-	-
Social Services - Delivery	733,554	-	92,075	825,629	825,629	-	-
Emergency Response - Covid19	394,506	-	461,044	855,550	871,210	(15,660)	1,895,883
Tribal Chiefs Employment and Training	-	-	436,387	436,387	436,387	-	(5)
Labour Market Strategy	-	-	31,367	31,367	31,385	(18)	-
Jordan's Principle	-	-	887,146	887,146	887,146	-	-
	31,433,852	-	5,875,887	37,309,739	32,036,030	5,273,709	2,861,096

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128
Statement of Expenditures by Object - Schedule 4
For the year ended March 31, 2023

	2023	2022
	\$	\$
EXPENDITURES		
Advertising	-	5,996
Building maintenance and utilities	1,051,070	833,939
Equipment	12,084	47,890
Insurance	341,837	275,707
Interest, bank charges and loan payments	88,735	32,580
Materials and supplies	906,690	1,092,488
Repairs and maintenance	1,083,375	1,258,728
Professional fees	3,630,813	1,500,217
Program costs	7,778,651	6,365,297
Training	1,978,806	1,754,171
Travel	1,636,943	908,780
Vehicle	2,456,452	2,576,118
Wages and employee benefits	11,070,574	9,862,424
TOTAL EXPENDITURES	32,036,030	26,514,335

The accompanying notes form part of these financial statements.

Whitefish Lake Band No. 128

Notes to the Financial Statements

March 31, 2023

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 three months 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 Financial Statements

March 31, 2023

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 Financial Statements

March 31, 2023

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.

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 known. 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, 2023 is \$300,000 (2022 - \$280,000) 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 Financial Statements

March 31, 2023

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

	2023	2022
	\$	\$
Trust Funds		
Band Capital	689,053	689,053
Band Revenue	658,836	625,703
	1,347,889	1,314,756

4. INVESTMENTS

Investment includes shares of UFA.

5. ACCOUNTS RECEIVABLE

	2023	2022
	\$	\$
Indigenous Services Canada - Other	526,078	232,909
Indigenous Services Canada - Indigenous Homes Innovation Initiative (IHII)	1,116,285	-
Government of Alberta - Consultation	-	37,525
Canada Mortgage Housing Corporation	103,700	103,700
First Nation Development Fund	195,766	271,844
Goods and Services Tax	116,736	81,875
Tribal Chief Ventures	99,407	75,000
Due from Goodfish Lake Pasteur Land	20,387	32,038
Other	808,597	394,946
	2,986,956	1,229,837

6. LINE OF CREDIT

The Band has a revolving line of credit with the Royal Bank authorized to a maximum of \$1,500,000 due on demand, bears interest at 6.52% and is secured by a general security agreement. There is a \$1,391,717 (2022 - \$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 (2022 - \$Nil) balance outstanding on this line of credit.

The Band has a third revolving line of credit with the Royal Bank authorized to a maximum of \$300,000, due on demand, bears interest at Prime plus 2.8% and is secured by a general security agreement. There is \$ Nil (2022 - \$Nil) balance outstanding on this line of credit.

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Notes to the Financial Statements

March 31, 2023

7. ACCOUNTS PAYABLE

	2023	2022
	\$	\$
Trade payables	1,944,629	3,343,478
Landfill closure costs	300,000	280,000
Wages, salaries and source deductions	502,513	213,639
	2,747,142	3,837,117

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

8. DEFERRED CONTRIBUTIONS - Own Source

	2023	2022
	\$	\$
Consultation and IBA		
Impact Benefit Agreements (IBA)	5,058,995	4,505,571
Goodfish Business Corporation	195,060	50,050
	5,254,055	4,555,621

9. DEFERRED CONTRIBUTIONS - Government Funding

	2023	2022
	\$	\$
Admin		
<i>ISC - FN representation service (Q2C7-001)</i>	492,102	-
<i>ISC - CFS prevention (Q2C3-001)</i>	702,422	-
<i>ISC - Band support funding (Q31K-001)</i>	-	250,000
Daycare Centre		
<i>Tribal Chiefs Employment and Training Services - Child Care</i>	311,732	90,373
Economic Development		
<i>Alberta Government funding</i>	25,100	70,503
Education - Administration		
<i>Alberta Government funding</i>	60,781	32,418
Education - Post Secondary		
<i>ISC - Post secondary student support (Q29A-001)</i>	284,151	136,575
Education - School		
<i>ISC - School formula (Q24F-001)</i>	-	119,243
<i>ISC - Education planning design & construction (Q36P-001 & 002)</i>	41,880	118,374
Enhanced Delivery		
<i>Tribal Chiefs Ventures</i>	296,887	-
Health Services		
<i>Aboriginal Headstart on Reserve (Q22K-001 - 004)</i>	410,872	160,321
<i>Canada Prenatal Nutrition Program (Q22G-001)</i>	24,188	-
<i>Community Health Representative (Q22N-001)</i>	18,736	2,847
<i>Child Oral Health Initiative (Q02U-001)</i>	11,535	474
<i>Mental Wellness Program (Q21G-001 - 009)</i>	362,973	361,173
<i>Aboriginal Diabetes Initiative (Q221-001 & 002)</i>	34,486	-
<i>HIV/AIDS Promotion & Education (Q23Z-001 & 002)</i>	19,793	472

Whitefish Lake Band No. 128

Notes to the Financial Statements

March 31, 2023

9. DEFERRED CONTRIBUTIONS - Government Funding - Continued

<i>TB Prev Promotion & Education (Q23U-001)</i>	4,296	147
<i>CDCM - Public Health NS & CHRS (Q243-001)</i>	271,661	106,052
<i>EPHS - Drinking water & wastewater (Q23C-001 & 002)</i>	10,000	13,514
<i>HCC Service Delivery (Q22U-001, 002 & 004)</i>	286,701	115,713
<i>Health Planning Management (Q30P-001)</i>	23,831	-
<i>Community Facilities O&M (Q302-001)</i>	3,539	-
<i>MHC - Traditional Healer (Q01T-001)</i>	11,087	-
<i>IRS - RHSP - Tribal Chiefs Ventures</i>	50,000	-
<i>Maternity Child Health (Q22I-001 & 002)</i>	4,756	2,877
<i>CDE Planning & Response (Q23X-002, 004 - 006)</i>	53,828	246,425
<i>Capital investments (Q300-002)</i>	-	28,338
<i>Mental wellness program (Q21G-010)</i>	-	433,036
<i>MT - Client Insured Services (Q010-002, 003 & 012)</i>	-	33,797
<i>MT - CA Admin (Q01D-006)</i>	-	26,718
Capital investments (Q300-001 & 003)	1,174,100	-
Housing		
<i>Cost share housing revenue</i>	442,482	50,000
<i>Rental revenue</i>	113,592	77,890
<i>ISC - Construction (Q3XJ-001 & QA1A-001)</i>	1,185,868	166,216
<i>ISC - Lot servicing (Q3XL-001 & QA1C-001)</i>	270,000	-
<i>ISC - Capacity and innovation (Q3AD-001 to 004)</i>	48,774	17,555
National Governance		
<i>ISC - Covid-19 OSR community service (Q3TO-001)</i>	36,915	451,451
Public Works		
<i>ISC - Fire protection (Q3AU-001, Q3BG-001 & Q3UN-001)</i>	112,082	-
<i>ISC - Vulnerable systems (Q35T-001 & Q35T-002)</i>	-	95,542
<i>ISC - Monitoring CSMWG Step 10 (Q3NB-001 & Q3NM-001)</i>	-	46,569
<i>ISC - Capital planning infrastructure (Q3B2-001)</i>	-	22,576
<i>ISC - Water - <1.5M (Q3X8-001)</i>	469,693	-
<i>ISC - A&C - Water >1.5M (Q34W-001)</i>	2,800,000	-
<i>ISC - Water >1.5M (Q3TD-001)</i>	4,512,442	-
<i>ISC - Wastewater <1.5M (Q3XA-001)</i>	409,877	-
<i>ISC - Wastewater systems (Q35A-001)</i>	23,443	-
<i>ISC - Covid-19 OSR community service (Q3TO-001)</i>	88,274	-
<i>ISC - LTDWA - Acceleration (Q3TJ-001)</i>	591,481	1,216,000
First Nation Development Fund	-	271,844
Social Services		
<i>ISC - Community based initiative (Q2KQ-001)</i>	50,184	174,312
<i>ISC - Basic needs (Q29W-001 & 002)</i>	953,712	788,573
Social Services - Delivery		
<i>ISC - In-home care (Q2BF-001 & 002)</i>	50,375	146,914
<i>ISC - Service delivery (Q2AF-001 & Q2BH-001)</i>	6,964	-
Emergency Response - Covid19		
<i>ISC - Covid-19 LEDSP (Q3QP-001)</i>	-	23,238
<i>ISC - Food security EMAP (Q3VJ-001)</i>	-	15,245
<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>	200,931	294,800
Labour Market Strategy		
<i>Tribal Chiefs Employment & Training Services</i>	-	20,067
<i>Jordan's Principle</i>		
<i>Tribal Chief Ventures</i>	199,622	117,104
	17,558,151	6,670,646

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Notes to the Financial Statements

March 31, 2023

10. OBLIGATIONS UNDER CAPITAL LEASE

	2023				2022
	Total	Deferred Finance	Current Portion	Long-Term Portion	Long-Term Portion
	\$	\$	\$	\$	\$
Daimler Truck Financial	24,340	432	23,908	-	23,899

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 \$46,733.

Interest paid on obligations under capital lease was \$3,017 (2022 - \$7,610).

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

	\$
2024	23,908

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022
	\$	\$
Tangible capital assets (Schedule 2)	85,662,696	80,543,306
Accumulated amortization (Schedule 2)	(47,378,463)	(44,201,184)
Obligations under capital lease (Note 10)	(23,908)	(87,579)
	38,260,325	36,254,543

12. EQUITY IN TRUST FUND

	Capital	Revenue	Total
	\$	\$	\$
Balance, beginning of year	689,053	625,702	1,314,755
Interest	-	33,134	33,134
Balance, end of year	689,053	658,836	1,347,889

Whitefish Lake Band No. 128

Notes to the Financial Statements

March 31, 2023

13. ACCUMULATED SURPLUS

	2023	2022
	\$	\$
Unrestricted surplus (deficit)	(3,517,114)	(3,607,762)
Equity in tangible capital assets	38,260,325	36,254,543
<u>Equity in trust funds</u>	<u>1,347,889</u>	<u>1,314,755</u>
	36,091,100	33,961,536