

**Athabasca Chipewyan First Nation
Consolidated Financial Statements**
For the year ended March 31, 2022

Athabasca Chipewyan First Nation Contents

For the year ended March 31, 2022

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Management's Responsibility

To the Members of the Athabasca Chipewyan First Nation:

The accompanying consolidated financial statements of the Athabasca Chipewyan First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

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

MNP LLP is appointed by the Chief and Council on behalf of the members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

October 17, 2022



Chief Executive
Officer



Chief Financial
Officer

To the Members of Athabasca Chipewyan First Nation:

Opinion

We have audited the consolidated financial statements of Athabasca Chipewyan First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated operating surplus, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the First 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 First Nation or to cease operations, or has no realistic alternative but to do so.

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

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

Fort McMurray, Alberta

October 17, 2022

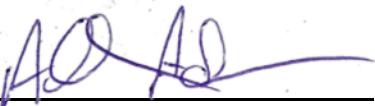
MNP LLP

Chartered Professional Accountants

Athabasca Chipewyan First Nation
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Cash and cash equivalents (Note 3)	15,963,059	5,445,373
Marketable securities	406,056	205,000
Accounts receivable (Note 4)	7,581,372	7,164,395
Tax receivable	1,057,162	827,483
Inventory for resale	497,263	387,263
Advances to related First Nation entities and departments	26,872	-
Investments (Note 5)	13,611,876	12,435,140
Investment in First Nation business entities (Note 6)	73,196,053	67,146,351
Funds held in trust and restricted investments (Note 7)	74,953,829	67,620,290
Investment in Cree Chip Development Corporation (Note 8)	2,639,350	2,639,350
Investment in joint venture and partnership (Note 9)	410,914	1,906,116
Total assets	190,343,806	165,776,761
Liabilities		
Accounts payable and accruals (Note 10)	1,204,845	2,629,313
Deferred revenue (Note 11)	12,464,630	2,810,463
Advances from related First Nation entities and departments	59,720	70,480
Long-term debt (Note 12)	21,385,200	22,406,425
Distributions due to minors (Note 16)	3,310,543	3,306,975
Total liabilities	38,424,938	31,223,656
Net financial assets	151,918,868	134,553,105
Guarantees (Note 14)		
Contingent liabilities (Note 15)		
Significant event (Note 20)		
Non-financial assets		
Tangible capital assets (Schedule 1)	31,163,806	32,411,000
Prepaid expenses	81,420	63,568
Total non-financial assets	31,245,226	32,474,568
Accumulated surplus	183,164,094	167,027,673
Accumulated surplus is comprised of:		
Accumulated surplus	175,452,578	158,132,918
Accumulated remeasurement gains	7,711,516	8,894,757
	183,164,094	167,027,675

Approved on behalf of the Council



Chief



Council
Member

Athabasca Chipewyan First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	<i>Schedules</i>	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
Revenue				
Department of Indigenous Services Canada	3,204,172	18,125,801	1,831,693	
Industry grants and other revenue	10,187,185	3,082,108	2,309,079	
Store revenue	-	3,551,356	3,273,072	
Nutrition North Canada	-	590,697	625,381	
Canada Mortgage and Housing Corporation	637,716	397,602	294,804	
First Nations Development Fund	-	72,307	-	
Other revenue	-	699,388	521,976	
Income from joint venture and partnership (Note 9)	-	3,021,456	1,277,531	
Industry contributions	-	12,915,423	13,621,891	
Earnings from investment in Nation business entities (Note 6)	7,564,751	8,730,851	19,831,704	
Investment Income (Note 5), (Note 7)	-	3,585,985	3,169,014	
Rental income	-	159,453	191,310	
Employment and Social Development Canada	-	113,545	137,800	
Province of Alberta	-	-	160,000	
Deferred revenue - prior year	-	-	170,665	
Deferred revenue - current year	-	(9,197,424)	-	
	21,593,824	45,848,548	47,415,920	
	-	-	-	
Program expenses				
Athabasca Chipewyan First Nation - Administration	3	7,943,419	12,710,794	11,745,006
Social Development	4	1,417,467	1,149,057	561,715
Education and Training	5	304,400	1,546,992	834,237
Housing	6	2,157,336	1,669,620	556,020
First Nations Development Fund	7	-	-	63,967
850450 Alberta Ltd.	8	-	27,919	55,710
1497161 Alberta Ltd.	9	772,001	687,186	442,092
Agriculture Benefits Settlement Trust	10	-	513,098	411,420
K'ai Taile Denesoline Trust	12	-	272,177	211,049
K'ai Taile Market Ltd.	13	-	5,194,281	5,045,442
Settlement Funds	14	3,247,000	2,843,178	1,928,795
ACFN Dene Lands and Resources Management	15	-	4,211,997	3,823,593
Fort McMurray Office	16	-	62,935	-
Total expenses		15,841,623	30,889,234	25,679,046
Surplus before other items		5,752,201	14,959,314	21,736,874

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Athabasca Chipewyan First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	2022 Budget	2022	2021
Surplus before other items <i>(Continued from previous page)</i>	5,752,201	14,959,314	21,736,874
Other income (expense)			
Gain on disposal of investments <i>(Note 5), (Note 7)</i>	-	2,360,346	369,005
Gain on disposal of tangible capital assets	-	-	21,251
Loss on write-down of tangible capital assets	-	-	(750,000)
	-	2,360,346	(359,744)
Surplus	5,752,201	17,319,660	21,377,130
Accumulated surplus, beginning of year	-	158,132,918	136,755,788
Accumulated surplus, end of year	5,752,201	175,452,578	158,132,918

Athabasca Chipewyan First Nation
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31, 2022

	2022	2021
Accumulated remeasurement gains (losses), beginning of year	8,894,757	(6,308,408)
Unrealized gains (losses) attributable to:		
Trust and restricted investments (Note 7)	(1,895,529)	12,933,508
Investments (Note 5)	712,288	2,269,657
Change in remeasurement gains (losses), for the year	(1,183,241)	15,203,165
Accumulated remeasurement gains, end of year	7,711,516	8,894,757

Athabasca Chipewyan First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2022

	2022 Budget	2022	2021
Annual surplus	5,752,201	17,319,660	21,377,130
Purchases of tangible capital assets	3,498,800	(237,445)	(1,319,120)
Amortization of tangible capital assets	-	1,484,641	1,364,002
Gain on disposal of tangible capital assets	-	-	(21,251)
Proceeds of disposal of tangible capital assets	-	-	21,251
Loss on write-down of tangible capital assets	-	-	750,000
Net changes of tangible capital assets	3,498,800	1,247,196	794,882
Acquisition of prepaid expenses	-	(17,852)	-
Use of prepaid expenses	-	-	19,790
Change in remeasurement gains (losses) for the year	-	(1,183,241)	15,203,165
Net changes of prepaid expenses and remeasurement gains (losses)	-	(1,201,093)	15,222,955
Changes in net financial assets	9,251,001	17,365,763	37,394,967
Net financial assets, beginning of year	97,158,138	134,553,105	97,158,138
Net financial assets, end of year	106,409,139	151,918,868	134,553,105

Athabasca Chipewyan First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

2022

2021

Cash provided by (used for) the following activities

Operating activities

Surplus	17,319,660	21,377,130
Non-cash items		
Amortization (Schedule 1)	1,484,641	1,364,002
Bad debts	173,154	169,031
Gain on disposal of portfolio investments	(2,360,346)	(369,005)
Earnings from investment in First Nation Business entities (Note 6)	(8,730,852)	(19,831,704)
Non-cash expenses paid by First Nation Business entities (Note 6)	1,741,032	1,607,445
Earnings net of distributions from investment in joint venture and partnership (Note 9)	1,311,502	(1,194,149)
Gain on disposal of tangible capital assets	-	(21,251)
Net non-cash investment income earned on restricted investments (Note 7)	(10,842,974)	(9,369,700)
Net non-cash investment income earned on investments (Note 5)	(246,286)	(285,058)
Loss on write-down of tangible capital assets (Schedule 1)	-	750,000
Accrued penalties on payout of fixed loan (Note 12)	-	364,114
	(150,469)	(5,439,145)
Changes in working capital accounts		
Accounts receivable	(590,131)	2,312,178
Tax receivable	(229,682)	(67,991)
Inventory	(110,000)	(150,000)
Accounts payable and accruals	(1,425,374)	(1,551,468)
Deferred revenue	9,654,167	(781,216)
Prepaid expenses	(17,852)	19,790
Distributions due to minors (Note 16)	(167,030)	(174,669)
	6,963,629	(5,832,521)

Financing activities

Advances of long-term debt	16,810,792	2,456,122
Repayment of long-term debt	(17,798,714)	(984,430)
Net advances (repayments) from related First Nation entities and departments	(37,631)	(18,033)
	(1,025,553)	1,453,659

Capital activities

Purchases of tangible capital assets (Note 6) (Schedule 1)	(237,445)	(1,319,120)
Proceeds of disposal of tangible capital assets	-	21,251
	(237,445)	(1,297,869)

Investing activities

Net proceeds on sale and disposal of restricted investments (Note 7)	3,612,232	2,369,643
Purchase of marketable securities	200,000	205,000
Net proceeds on sale and disposal of investments (Note 5)	64,705	675,327
Investment in Nation business entities (Note 6)	(300,000)	(3,080)
Distributions from investment in First Nation business entities (Note 6)	1,240,118	2,083,187
	4,817,055	5,330,077

Increase (Decrease) in cash resources

10,517,686

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Athabasca Chipewyan First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Increase (Decrease) in cash resources	10,517,686	(346,654)
Cash resources, beginning of year	5,445,373	5,792,027
Cash resources, end of year	15,963,059	5,445,373
Supplementary cash flow information		
Interest paid	556,090	1,173,475

Athabasca Chipewyan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

1. Operations

The Athabasca Chipewyan First Nation (ACFN) (the "First Nation") is located in the province of Alberta, and provides various services to its members. Athabasca Chipewyan First Nation (ACFN) includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Athabasca Chipewyan First Nation.

2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards set out in the CPA Canada Handbook - Public Sector Accounting and are consistent with accounting policies set out by the Department of Indigenous Services Canada ("ISC"). Significant aspects of the accounting policies adopted by the First Nation are as follows:

Reporting entity and principles of consolidation

The consolidated financial statements consolidate the financial activities of all entities and departments comprising Athabasca Chipewyan First Nation, except for First Nation business entities.

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

- Athabasca Chipewyan First Nation - Administration
- Social Development
- Education and Training
- Housing
- First Nation Development Fund
- 850450 Alberta Ltd.
- 1497161 Alberta Ltd.
- K'ai Taile Market Ltd.
- ACFN Agriculture Benefits Settlement Trust
- Settlement Funds
- K'ai Taile Denesoline Trust
- ACFN Dene Land & Resource Management
- Ottawa Trust Fund
- Fort McMurray Office

Nation business entities accounted for by the modified equity basis include:

- Acden Business Trust
- ACFN Business Trust
- 2160415 Alberta Ltd.
- 2216328 Alberta Ltd.
- ACFN Industry Investments Limited Partnership
- 2281860 Alberta Ltd.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

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

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable under the terms of applicable funding agreements; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Asset classification

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

Cash and cash equivalents

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

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Changes in fair value are recorded in the statement of remeasurement gains (losses).

Funds held in trust and restricted investments

Funds held in trust consist of cash and investments which are restricted in use. Gains and losses resulting from a change in fair value of restricted financial assets and any interest and dividend income are recorded as an increase or decrease to the associated asset until the resources are used in accordance with their specified purposes.

Investments in joint venture and partnership and investment in Cree Chip Development Corporation

Investments in a joint venture and partnership, subject to joint control are accounted for using the equity method, less any provisions for permanent impairment. The investment in Cree Chip Development Corporation is accounted for using the cost method, less any provisions for permanent impairment.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Construction in progress is recorded at the construction costs of the related housing project. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually, unless otherwise disclosed, using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Buildings	declining balance	4 %
Vehicles	declining balance	30 %
Computer equipment	declining balance	45 %
Equipment	declining balance	20 %

Amortization is not recorded on buildings under construction as they are not yet in use.

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

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

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in operations for the year; impairment of tangible capital assets is reflected in accumulated surplus when impairment occurs. Prices for similar items are used to measure fair value of long-lived assets.

Deferred revenue

Funding received under funding arrangements relating to projects that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt. These amounts are recognized in revenue in the year the project costs are incurred.

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of consolidated financial position, accumulated surplus.

Measurement uncertainty (use of estimates)

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue 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. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is based upon estimates of expended amounts and amounts required to complete specific projects. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

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

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Revenue recognition

Funding

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

- i. **The Department of Indigenous Services ("DISC") and First Nations and Inuit Health ("FNIH")**
The Athabasca Chipewyan First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.
- ii. **Band Capital and Revenue Funds**
The Athabasca Chipewyan First Nation recognizes revenue of the Capital and Revenue Fund as income is received and reported by the federal government.
- iii. **Canada Mortgage and Housing Corporation ("CMHC")**
CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements, and is decreased for amounts anticipated to be repaid at year end.
- iv. **Rental income**
Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.
- v. **Employment and Social Development Canada ("ESD")**
ESD provides funding for Aboriginal skills and employment training. These funds are reported as revenue in the year the specific expenses are incurred. Funds which have not been expended by the fiscal year end are recorded as deferred revenue and appear as a liability on the consolidated statement of financial position.
- vii. **First Nation Development Fund ("FNDF")**
FNDF provides funding for specific projects. These funds are reported as revenue in the year the specific expenses are incurred. Funds which have not been expended by the fiscal year end are recorded as deferred revenue and appear as a liability on the consolidated statement of financial position.
- viii. **Nutrition North Canada**
Nutrition North Canada provides funding for essential grocery items. These funds are reported as revenue in the year the specific expenses are incurred.
- ix. **Other revenue, industry contributions, administration fees, and investment income**
All other revenue received that are not subject to funding agreements are recorded in the year in which they are earned and collection is reasonably assured.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purposes specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Athabasca Chipewyan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

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

Segments

The First Nation conducts its business through 14 reportable segments: See "reporting entity" accounting policy note for list of all segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses while interest income is recognized in the consolidated statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of operations

Fair value measurements

The First Nation classifies fair value measurements recognized in the consolidated statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the First Nation to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2022.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. No liabilities have been recorded as of March 31, 2022.

Consolidated Statement of remeasurement gains and losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenue and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenue raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the consolidated statement of remeasurement gains and losses. Taken together, the two statements account for changes in a First Nation's net assets in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to all financial instruments are reported in the consolidated statement of operations.

3. Cash and cash equivalents

Included in cash and cash equivalents is \$265,173 (2021 - \$265,173) restricted for capital housing projects (Note 13).

	2022	2021
Cash and cash equivalents	10,688,138	4,975,327
Restricted cash	265,173	265,173
GIC	5,009,748	204,873
	<hr/> 15,963,059	<hr/> 5,445,373

4. Accounts receivable

	2022	2021
Accounts receivable	9,209,581	8,704,976
Less: Allowance for doubtful accounts	1,628,209	1,540,581
	<hr/> 7,581,372	<hr/> 7,164,395

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

5. Investments

Short term investments are carried at fair market value:

	2022	2021
Cash and cash equivalents	540,484	67,804
Equities	9,337,253	8,593,122
Fixed income	3,734,139	3,774,214
	13,611,876	12,435,140

During the year the investments earned investment income of \$295,922 (2021 - \$330,629) and incurred investment related expenses of \$49,636 (2021 - \$45,571) and the net amount was re-invested into investments. The cost of investments is \$11,746,434 (2021 - \$11,281,985). The realized gains during the year were \$282,868 (2021 - \$18,257). The change in fair value at year-end resulted in an unrealized gain of \$712,288 (2021 - \$2,269,657).

Proceeds on disposal of investments and acquisition of investment are shown on a net basis on the consolidated statement of cash flows as its impracticable for management to show the gross amounts.

6. Investments in First Nation business entities

The First Nation has investments in the following entities:

	Opening net investment	Current draws	Advances to business enterprises	Current earnings	Total investment
Investments held at modified equity method					
ACFN Business Trust					
2160415 Alberta Ltd.	62,791,762	(2,621,032)	-	9,844,405	70,015,135
2216328 Alberta Ltd.	(98,777)	-	-	166,774	67,997
ACFN Industry Investments Limited	4,450,286	-	-	(133,984)	4,316,302
Partnership	3,080	(360,118)	-	(475,630)	(832,668)
2281860 Alberta Ltd.	-	-	300,000	(670,713)	(370,713)
	67,146,351	(2,981,150)	300,000	8,730,852	73,196,053

	Opening net investment	Current draws	Investment in business enterprises	Current earnings	Total investment
Investments held at modified equity method					
ACFN Business Trust					
2160415 Alberta Ltd.	51,650,988	(3,207,445)	-	14,348,219	62,791,762
2216328 Alberta Ltd.	21,450	-	-	(120,227)	(98,777)
ACFN Industry Investments LP	(670,239)	(483,187)	-	5,603,712	4,450,286
	51,002,199	(3,690,632)	3,080	19,831,704	67,146,351

Continued on next page

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

6. Investments in First Nation business entities *(Continued from previous page)*

Summary financial information for each First Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>ACFN Business Trust</i> <i>As at March 31, 2022</i>	<i>2160415 Alberta Ltd.</i> <i>As at March 31, 2022</i>	<i>2216328 Alberta Ltd.</i> <i>As at March 31, 2022</i>	<i>ACFN Industry Investments Limited Partnership</i> <i>As at March 31, 2022</i>
Assets	99,480,521	7,271,215	28,012,202	10,356,802
Liabilities	29,465,388	7,067,020	23,706,100	11,157,342
Net Assets (debt)	70,015,133	204,195	4,306,103	(800,540)
Total revenue	97,461,973	722,601	1,673,683	-
Total expenses	87,617,568	555,827	1,807,667	475,630
Net income (loss)	9,844,405	166,774	(133,984)	(475,630)

	<i>2281860 Alberta Ltd.</i> <i>As at March 31, 2022</i>
Assets	29,641,086
Liabilities	30,311,800
Net Assets (debt)	(670,714)
Total revenue	-
Total expenses	670,714
Net income (loss)	(670,714)

During the year the ACFN Business Trust paid for \$1,741,032 (2021 - \$1,607,445) of expenses on behalf of the First Nation. These amounts were settled through a non-cash distribution from the ACFN Business Trust. Guarantees associated with First Nation business entities are disclosed in Note 14.

7. Funds held in trust and restricted investments

	2022	2021
Ottawa Trust - Funds held in trust		
Balance, beginning of year	6,568	6,485
Compensation payments	105	83
Balance, end of year	6,673	6,568
Agricultural Benefits Trust - Restricted investments		
Cash and cash equivalents	-	375
Equities	30,424,770	30,046,390
Fixed income	20,141,868	20,491,265
Balance, end of year	50,566,638	50,538,030

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

7. Funds held in trust and restricted investments *(Continued from previous page)*

K'ai Taile Densoline Trust - Restricted investments

Cash and cash equivalents	1,078,264	413,740
Equities	15,849,861	11,392,803
Fixed income	7,452,393	5,269,149
<hr/>		
Balance, end of year	24,380,518	17,075,692
<hr/>		
	74,953,829	67,620,290

During the year the restricted investments earned investment income of \$3,578,812 (2021 - \$2,349,858), industry contributions of \$7,884,401 (2021 - \$7,544,410), and incurred investment related expenses of \$620,239 (2021 - \$524,568) and the net amount was re-invested into restricted investments. The cost of restricted investments is \$67,482,822 (2021 - \$60,136,512). The realized gains during the year were \$2,077,478 (2021 - \$350,748). The change in fair value at year-end resulted in an unrealized loss of \$1,895,529 (2021 - \$12,933,508 gain).

Proceeds on disposal of restricted investments and acquisition of restricted investment are shown on a net basis on the consolidated statement of cash flows as its impracticable for management to show the gross amounts.

The Ottawa trust accounts arise from moneys 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. Sections 63 to 69 of the *Indian Act* primarily govern the management of these funds.

8. Investment in Cree Chip Development Corporation

Loans advanced to Cree Chip Development Corporation, other governmental organization of the First Nation. The First Nation owns 50% (2021 – 50%) of the related entity. The advance bears no interest and has no fixed terms of repayment.

9. Investment in joint venture and partnership

During the year the income earned from the investment in the joint venture and the partnership was \$3,021,456 (2021 - \$1,277,531) and cash distributions were \$2,197,627 (2021 - \$83,382). Subsequent to year end the partnership was wound-up.

10. Accounts payable and accruals

	2022	2021
Accounts payable and accruals	1,085,962	2,453,168
Government remittances	33,510	90,772
Holdbacks payable	85,373	85,373
<hr/>		
	1,204,845	2,629,313

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

11. Deferred revenue

	2022	2021
ACFN Dene Land & Resource Management	3,139,689	2,682,946
Indigenous Services Canada	9,275,887	78,463
Social Development	4,523	4,523
Education and Training	44,531	44,531
	12,464,630	2,810,463

12. Long-term debt

	2022	2021
CMHC, mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$1,402 including interest at 0.76%, renewing December 2025.	141,184	156,885
CMHC, mortgage repaid during the year.	-	5,332
CMHC, mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$829 including interest at 1.12%, renewing July 2026.	42,123	51,567
CMHC, mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$955 including interest at 2.39%, renewing March 2023.	64,173	74,006
CMHC, mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$865 including interest at 0.76%, renewing December 2025.	87,078	96,762
CMHC, mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$315 including interest at 1.12%, renewing October 2026.	34,043	37,428
CMHC, mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$2,212 including interest at 0.76%, renewing December 2025.	332,637	356,570
CMHC, mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$2,236 including interest at 2.50%, renewing June 2023.	359,041	376,753
CMHC, mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$3,851 including interest at 1.01%, renewing August 2026.	815,364	853,155
CMHC, mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$5,496 including interest at 2.70%, renewing November 2023.	1,084,843	1,121,279
CMHC, mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$9,214 including interest at 0.96%, renewing March 2026.	2,371,781	2,459,260
Bank of Montreal demand loan, repaid during the year.	-	568,414

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Bank of Montreal demand loan, repaid during the year.	-	517,314
Royal Bank of Canada term loan, secured by \$550,000 guarantee from ACFN and first ranking security interest in all personal property of ACFN, payable in monthly installments of \$3,760 at prime plus 1.25%, renewing April 2023.	494,525	-
Royal Bank of Canada term loan, secured by \$14,650,000 guarantee by ACFN Agricultural Benefits Settlement Trust, 850450 Alberta Ltd., and 2216328 Alberta Ltd. and first ranking security interest in all personal property of 850450 Alberta Ltd. and 2216328 Alberta Ltd. payable in quarterly bankers' acceptances, renewing April 2022.	11,575,000	11,836,362
Royal Bank of Canada term loan, secured by \$14,650,000 guarantee by ACFN Agricultural Benefits Settlement Trust, 850450 Alberta Ltd., and 2216328 Alberta Ltd. and first ranking security interest in all personal property of 850450 Alberta Ltd. and 2216328 Alberta Ltd. payable in quarterly bankers' acceptances, payable in monthly installments of \$10,548 at prime plus 1.25%, renewing April 2022.	452,386	-
Royal Bank of Canada non-revolving term loan, secured by the real property of K'ai Taile Market Ltd. and a full coverage guarantee from Athabasca Chipewyan First Nation, payable in monthly installments of \$21,186 including interest at prime rate plus 1.25% until 2025	3,164,793	3,385,314
Bank of Montreal demand loan, repaid during the year.	-	64,167
Royal Bank of Canada non-revolving term loan, secured by the real property of K'ai Taile Market Ltd. and a full coverage guarantee from Athabasca Chipewyan First Nation, payable in monthly installments of \$7,295 including interest at prime rate plus 1.25% until 2025	266,229	345,857
Royal Bank of Canada letter of credit, monthly installments of \$nil (2021 - monthly installments \$nil), and an interest rate of 0.00% (2021 - 0.00%). Credit facility cancelled April 2022.	100,000	100,000
	21,385,200	22,406,425

The prime rate as at March 31, 2022 is 2.70% (2021 - 2.45%).

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

2023	1,019,087
2024	1,031,935
2025	1,035,471
2026	901,210
2027	821,960
Thereafter	16,575,537

Security pledged on all mortgages, loans and finance contracts consists of Government of Canada ministerial guarantees, guarantees by the Athabasca Chipewyan First Nation, assignment of fire insurance, a guarantee by the Ottawa Trust accounts and specific equipment.

Included in Schedule 1, total Buildings of \$19,415,164 (2021 - \$20,158,764) are pledged as security for CMHC mortgages above.

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

During the year, the First Nation transferred all debt from BMO to RBC with an effective date of April 1, 2021. The new facilities are payable in monthly installments of \$2,750 to \$21,186, including interest at prime plus 1.25%, over a term of 3 to 4 years. The facilities are secured by assets of the First Nation, 850450 Alberta Ltd, K'ai Taile Market and a guarantee of postponement of claim from the First Nation. During the year the First Nation incurred total penalties of \$53,623 (2021 - \$500,450) resulting from the early payout of the BMO fixed term loans.

13. Replacement reserves

Under conditions of agreements with CMHC, the First Nation is required to maintain certain reserves related to on-reserve housing projects estimated at \$352,005 (2021 - \$300,872). As at March 31, 2022, the First Nation has funded \$265,173 (2021 - \$265,173). The First Nation is in violation of their agreements with CMHC. The possible effect of the violation has not yet been determined.

14. Guarantees

As of March 31, 2022, the First Nation and its business enterprises have assumed a joint and several obligation on a loan with Royal Bank of Canada, secured by property held by the First Nation's business enterprises up to a maximum amount of \$2,460,443 (2021 - \$2,460,443), of which \$687,599 (2021 - \$1,243,049) was drawn as of year-end. As at March 31, 2022, the Borrower is in compliance with all financial covenants. The guarantees remain in place for the duration of the loan, which matures March 23, 2023. Payments under these guarantees, which will remain in place until March 23, 2023, are triggered upon event of default, consisting of an inability to service the debt by the borrower; failure to comply with or to perform any provision under the loan agreement; the borrower becomes insolvent or generally fails to pay or admits in writing their inability or refusal to pay their debts as they become due.

As of March 31, 2022, Athabasca Chipewyan First Nation and its business enterprises have assumed a joint and several obligation on a loan with Royal Bank of Canada, secured by property held by ACFN Green Energy Limited Partnership up to a maximum amount of \$38,000,000, of which \$30,011,800 was drawn as of year-end. As at March 31, 2022, the Borrower is in compliance with all financial covenants. The guarantees remain in place for the duration of the loan, which matures March 29, 2041.

Payments under these guarantees, which will remain in place until March 29, 2041, are triggered upon event of default, consisting of an inability to service the debt by the Borrower; failure to comply with or to perform any provision under the loan agreement; the Borrower becomes insolvent or generally fails to pay or admits in writing their inability or refusal to pay their debts as they become due.

As at March 31, 2022, no liability has been recorded associated with these guarantees.

15. Contingent liabilities

The First Nation is involved in a lawsuit. The First Nation originally filed a claim against the defendants, but was counterclaimed by the defendants. This lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of these lawsuits or to estimate the loss, if any, which may result. Any amount awarded as a result of this action will be recorded when reasonably estimable.

Government contributions related to the projects of the First Nation are subject to conditions regarding the expenditure of funds. The First Nation's accounting records, as well as those agencies delegated to execute the projects, are subject to audit by the various funding agencies. Should any instances be identified in which the amounts charged to the projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies.

Adjustments to the consolidated financial statements as a result of these audits will be recorded in the year in which they become known.

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

16. Distributions due to minors

Upon the settlement of the Agriculture Benefits Claim, the Athabasca Chipewyan First Nation Agriculture Benefits Settlement Trust was created to hold the funds received and distribute amounts to minors once one of the following conditions have been met:

- i) reaching the age of eighteen (18) years with a Grade 12 education, or its equivalency; or
- ii) completing a Grade 12 education, or its equivalency, or enrolled in an apprenticeship or other post secondary program at any time during the ages of 18, 19, or 20 years; or
- iii) attaining the age of 21 years.

Subject to these conditions, each minor member that was alive at the date of ratification will be eligible to receive a single payment from the minors trust account in the amount of:

- i) \$10,000; plus
- ii) an inflation adjustment at a rate determined by reference to the CPI - All Items, published by Statistics Canada for Alberta for each year ended December 31, after 2017; plus
- iii) an investment adjustment at a rate of 2%, compounded annually, for each year ended December 31, after 2017.

At March 31, 2022 there were a total of 280 (2021 - 298) minors who had not yet been paid out. The minor's distributions were estimated based on a calculation which assumed no inflation and no investment adjustment has yet occurred. Total distributions made to minors in the year were \$167,030 (2021 - \$174,669).

17. Financial instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments, except as otherwise disclosed.

Risk management policy

The First Nation, as part of operations, has established management objectives such as avoidance of undue concentrations of risk. In seeking to meet these objectives, the First Nation follows a risk management policy approved by Chief and Council.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of the First Nation's financial instruments best represents the maximum exposure to credit risk. An allowance for doubtful accounts has been recorded as outlined in Note 4. As of March 31, 2022, one (2021 - one) customer accounted for 79% (2021 - 61%) of the accounts receivable balance.

Risk management

The First Nation manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The First Nation is exposed to interest rate risk with respect to certain long-term debt amounts, which are subject to floating interest rates. The First Nation is exposed to interest rate price risk with respect to certain long-term debt amounts which bear interest at rates agreed upon at the time of issuance. The First Nation is also exposed to interest rate price risk with respect to its funds held in trust and restricted investments assets which earn interest.

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

17. Financial instruments *(Continued from previous page)*

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The First Nation enters into transactions to purchase portfolio investments through investments and funds held in trust and restricted investments, for which the market price fluctuates.

Other price risk is measured using standard deviation which measures a portfolio investment's volatility regardless of the cause. The First Nation manages its other price risk by utilizing investment managers and custodians to monitor the volatility of the portfolio investments held and manage the investments in accordance to the investment guidelines.

18. Budget information

The disclosed budget information has been approved by the Chief and Council of the Athabasca Chipewyan First Nation (ACFN) at the Chief and Council meeting held on April 21, 2021.

19. Comparative figures

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

20. Significant event

Since March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID19 outbreak may have on the Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence.

These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Nation's operations and financial condition.

Canada Emergency Wage Subsidy ("CEWS")

Under the CEWS program, certain organizations experiencing revenue reductions during the COVID-19 pandemic are eligible to receive a subsidy for a portion of employee wages paid between March 15, 2020 and October 23, 2021. Included in the statement of operations in the Earnings from investment in First Nation business entities is \$nil (2021 - \$1,217,637) which the First Nation's business enterprises claimed under the CEWS program.

Temporary Wage Subsidy ("TWS")

Under the TWS program, qualifying organizations could receive up to a \$25,000 credit towards payroll remittances on remuneration paid for the period of March 18 to June 19, 2020. This was a temporary measure intended to provide immediate relief for employers due to the restrictions put in place for COVID-19 and is not expected to continue into the future. Included in government wage subsidies is \$nil (2021 - \$22,000) related to the TWS.

The First Nation received funding specifically for expenses incurred related to COVID-19. Included in the consolidated statement of operations and accumulated surplus is revenue of \$10,044,476 (2021 - \$379,863) and expenses of \$1,203,093 (2021 - \$552,634) related to COVID-19.