

**Athabasca Chipewyan First Nation**  
**Consolidated Financial Statements**  
*March 31, 2023*

# Athabasca Chipewyan First Nation

## Contents

*For the year ended March 31, 2023*

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	<b>Page</b>
<b>Management's Responsibility</b>	
<b>Independent Auditor's Report</b>	
<b>Consolidated Financial Statements</b>	
Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Statement of Remeasurement Gains and Losses.....	3
Consolidated Statement of Changes in Net Financial Assets.....	4
Consolidated Statement of Cash Flows.....	5
<b>Notes to the Consolidated Financial Statements</b> .....	6
<b>Schedules</b>	
Schedule 1 - Schedule of Tangible Capital Assets.....	20
Schedule 2 - Schedule of Consolidated Expenses by Object.....	22
Schedules 3 to 15 of Revenue and Expenses.....	23-35

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## Management's Responsibility

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To the Members of Athabasca Chipewyan First Nation

The accompanying consolidated financial statements of 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 is 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 is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by 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.



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, 2023, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets, cash flows and the related schedules 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, 2023, 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

September 14, 2023

*MNP LLP*

Chartered Professional Accountants

# Athabasca Chipewyan First Nation

## Statement of Financial Position

As at March 31, 2023

	2023	2022
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	12,193,487	15,963,059
Marketable securities	404,836	406,056
Accounts receivable (Note 4)	1,349,840	7,581,372
Tax receivable	1,417,151	1,057,162
Inventory for resale	805,456	497,263
Advances to related First Nation entities and departments	91,899	26,872
Investments (Note 5)	13,287,496	13,611,876
Investment in Nation business entities (Note 6)	67,381,341	73,196,053
Funds held in trust and restricted investments (Note 7)	78,617,813	74,953,829
Investment in Cree Chip Development Corporation (Note 8)	2,639,350	2,639,350
Investment in joint venture and partnership (Note 9)	453,079	410,914
<b>Total of assets</b>	<b>178,641,748</b>	<b>190,343,806</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 10)	5,404,084	1,204,845
Deferred revenue (Note 11)	10,205,514	12,464,630
Advances from related First Nation entities & departments	59,720	59,720
Long-term debt (Note 12)	20,285,313	21,385,200
Distributions due to minors (Note 16)	3,394,789	3,310,543
<b>Total of financial liabilities</b>	<b>39,349,420</b>	<b>38,424,938</b>
<b>Net financial assets</b>	<b>139,292,328</b>	<b>151,918,868</b>
<b>Guarantees (Note 14)</b>		
<b>Contingent liabilities (Note 15)</b>		
<b>Subsequent events (Note 20)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	35,532,590	31,163,806
Prepaid expenses	105,650	81,420
<b>Total non-financial assets</b>	<b>35,638,240</b>	<b>31,245,226</b>
<b>Accumulated surplus</b>	<b>174,930,568</b>	<b>183,164,094</b>
<b>Accumulated surplus is comprised of:</b>		
Accumulated surplus	170,947,246	175,452,578
Accumulated remeasurement gains	3,983,322	7,711,516
	<b>174,930,568</b>	<b>183,164,094</b>

Approved on behalf of the Council



Chief



Council  
Member

The accompanying notes are an integral part of these consolidated financial statements

# Athabasca Chipewyan First Nation

## Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2023*

	<i>Schedules</i>	<i>2023 Budget</i>	<i>2023</i>	<i>2022</i>
<b>Revenue</b>				
Department of Indigenous Services Canada		7,107,946	5,752,335	18,125,801
Other revenue		343,596	140,928	48,353
Industry grants and other revenue		16,304,106	963,650	3,733,143
First Nations Development Fund		400,000	619,733	72,307
Store revenue		4,419,570	4,899,196	3,551,356
Canada Mortgage and Housing Corporation		312,084	345,390	397,602
Nutrition North Canada		1,408,645	671,433	590,697
Income from joint venture and partnership (Note 9)		-	2,241,099	3,021,456
Industry contributions		8,857,708	13,100,722	12,915,423
Investment income (Note 5), (Note 7)		521,070	2,523,260	3,585,985
Indigenous skills and employment training		-	104,915	113,545
Rental income		186,000	216,161	159,453
Earnings from investment in Nation business entities (Note 6)		-	506,123	8,730,851
Deferred revenue - current year		-	(6,318,283)	(9,197,424)
Deferred revenue - prior year		-	9,197,424	-
		<b>39,860,725</b>	<b>34,964,086</b>	<b>45,848,548</b>
<b>Program expenses</b>				
Athabasca Chipewyan First Nation - Administration	3	14,757,685	16,239,571	12,710,794
Social Development	4	1,582,511	936,337	1,149,057
Education and Training	5	1,810,792	2,201,263	1,546,992
Housing	6	2,816,684	3,566,103	1,669,620
850450 Alberta Ltd.	7	-	43,266	27,919
1497161 Alberta Ltd.	8	784,337	817,827	687,186
Agriculture Benefits Settlement Trust	9	-	532,959	513,098
K'aitaile Denesoline Trust	11	-	272,450	272,177
K'aitaile Market Ltd.	12	6,259,405	6,166,193	5,194,281
Settlement Funds	13	-	3,646,622	2,843,178
ACFN Dene Lands and Resources Management	14	8,747,066	6,210,913	4,211,997
Fort McMurray Office	15	-	82,482	62,935
<b>Total expenditures</b>		<b>36,758,480</b>	<b>40,715,986</b>	<b>30,889,234</b>
<b>Surplus (deficit) before other items</b>		<b>3,102,245</b>	<b>(5,751,900)</b>	<b>14,959,314</b>
<b>Other income</b>				
Gain on disposal of investments (Note 5), (Note 7)		-	1,238,068	2,360,346
Gain on disposal of tangible capital assets		-	8,500	-
		-	<b>1,246,568</b>	<b>2,360,346</b>
<b>Surplus (deficit) before transfers</b>		<b>3,102,245</b>	<b>(4,505,332)</b>	<b>17,319,660</b>
<b>Transfers between programs</b>				
Transfer to DLRM		-	(49,417)	-
Transfer from ACFN		-	49,417	-
<b>Surplus (deficit)</b>		<b>3,102,245</b>	<b>(4,505,332)</b>	<b>17,319,660</b>
<b>Accumulated surplus, beginning of year</b>		<b>175,452,578</b>	<b>175,452,578</b>	<b>158,132,918</b>
<b>Accumulated surplus, end of year</b>		<b>178,554,823</b>	<b>170,947,246</b>	<b>175,452,578</b>

The accompanying notes are an integral part of these consolidated financial statements

**Athabasca Chipewyan First Nation**  
**Statement of Remeasurement Gains and Losses**  
*For the year ended March 31, 2023*

	<b>2023</b>	<b>2022</b>
<b>Accumulated remeasurement gains, beginning of year</b>	<b>7,711,516</b>	8,894,757
<b>Unrealized gains (losses) attributable to:</b>		
Trust and restricted investments (Note 7)	<b>(3,111,112)</b>	(1,895,529)
Investments (Note 5)	<b>(604,286)</b>	712,288
Marketable securities	<b>(12,796)</b>	-
<b>Change in remeasurement gains, for the year</b>	<b>(3,728,194)</b>	(1,183,241)
<b>Accumulated remeasurement gains, end of year</b>	<b>3,983,322</b>	7,711,516

*The accompanying notes are an integral part of these consolidated financial statements*



**Athabasca Chipewyan First Nation**  
**Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Annual surplus (deficit)</b>	<b>3,102,245</b>	<b>(4,505,332)</b>	17,319,660
Purchases of tangible capital assets	<b>(14,395,964)</b>	<b>(5,906,268)</b>	(237,445)
Amortization of tangible capital assets	-	<b>1,545,983</b>	1,484,641
Gain on sale of tangible capital assets	-	<b>(8,500)</b>	-
<b>Net change of tangible capital assets</b>	<b>(14,395,964)</b>	<b>(4,368,785)</b>	1,247,196
Acquisition of prepaid expenses	-	<b>(24,230)</b>	(17,852)
Change in remeasurement losses for the year	-	<b>(3,728,193)</b>	(1,183,241)
<b>Net change of prepaids and remeasurement gains</b>	<b>-</b>	<b>(3,752,423)</b>	(1,201,093)
<b>Change in net financial assets</b>	<b>(11,293,719)</b>	<b>(12,626,540)</b>	17,365,763
<b>Net financial assets, beginning of year</b>	<b>151,918,868</b>	<b>151,918,868</b>	134,553,105
<b>Net financial assets, end of year</b>	<b>140,625,149</b>	<b>139,292,328</b>	151,918,868

*The accompanying notes are an integral part of these consolidated financial statements*

**Athabasca Chipewyan First Nation**  
**Statement of Cash Flows**  
For the year ended March 31, 2023

	2023	2022
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus (deficit)	(4,505,332)	17,319,660
Non-cash items		
Amortization (Schedule 1)	1,545,983	1,484,641
Bad debts	513,673	173,154
Gain on disposal of portfolio investments	(1,238,068)	(2,360,346)
Gain on disposal of tangible capital assets	(8,500)	-
Earnings from investment in First Nation business entities (Note 6)	(506,123)	(8,730,852)
Non-cash expenses paid by First Nation Business entities (Note 6)	3,067,535	1,741,032
Earnings net of distributions from investment in joint venture and partnership (Note 9)	(42,165)	1,311,502
Net non-cash investment income earned on restricted investments (Note 7)	(1,499,522)	(10,842,974)
Net non-cash investment income earned on investments (Note 5)	(299,691)	(246,286)
	(2,972,210)	(150,469)
Changes in working capital accounts		
Accounts receivable	5,717,859	(590,131)
Tax receivable	(359,989)	(229,682)
Inventory	(308,193)	(110,000)
Prepaid expenses	(24,230)	(17,852)
Accounts payable and accruals	4,199,239	(1,425,374)
Deferred revenue	(2,259,116)	9,654,167
Distributions due to minors (Note 16)	(189,749)	(167,030)
	3,803,611	6,963,629
<b>Financing activities</b>		
Advances of long-term debt	45,402,000	16,810,792
Repayment of long-term debt	(46,501,887)	(17,798,714)
Net advances (repayments) from related First Nation entities and departments	(65,027)	(37,631)
	(1,164,914)	(1,025,553)
<b>Capital activities</b>		
Purchases of tangible capital assets (Schedule 1)	(5,906,268)	(237,445)
<b>Investing activities</b>		
Investment in Nation business entities	-	(300,000)
Distributions from investment in First Nation business entities	3,253,300	1,240,118
Net proceeds on sale and disposal of restricted investments	(3,843,421)	3,612,232
Purchase (sale) of marketable securities	1,220	200,000
Net proceeds on sale and disposal of investments	86,900	64,705
	(502,001)	4,817,055
<b>Increase (decrease) in cash resources</b>	(3,769,572)	10,517,686
<b>Cash resources, beginning of year</b>	15,963,059	5,445,373
<b>Cash resources, end of year</b>	12,193,487	15,963,059
<b>Supplementary cash flow information</b>		
Interest paid	466,148	556,090

The accompanying notes are an integral part of these consolidated financial statements

# Athabasca Chipewyan First Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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### 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 Nation.

### 2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards set out in the CPA 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 (PS 1300) consolidated**

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for government business entities. Trusts administered on behalf of third parties by Athabasca Chipewyan First Nation are excluded from the First Nation reporting entity.

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
- 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:

- ACFN Business Trust
- Acden Group of Companies Limited Partnership
- 2160415 Alberta Ltd.
- 2216328 Alberta Ltd.
- ACFN Industry Investments Limited Partnership

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.

**Athabasca Chipewyan First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

**Reporting entity (PS 1300)** *(Continued from previous page)*

Government business entities, owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the 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 government business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include

Investments in partnerships are accounted for using the proportionate consolidation method. The First Nation's pro-rata share of the assets, liabilities, revenue, and expenses of the partnership have been combined on a line-by-line basis with similar items of the First Nation.

**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; 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.

**Cash and cash equivalents**

Cash and cash equivalent 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 consolidated 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 in the fair value category and any interest and dividend income are recorded as an increase or decrease to the associated liability 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.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2023, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

**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.

**Athabasca Chipewyan First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

***Tangible capital assets*** *(Continued from previous page)*

When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the First Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

***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:

	<b><i>Method</i></b>	<b><i>Rate</i></b>
Buildings	declining balance	4 %
Vehicles	declining balance	30 %
Computer equipment	declining balance	45 %
Infrastructure	declining balance	20 %
Leasehold improvements	straight-line	term of lease

***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 operating surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on land or other First Nation tangible capital assets; and
- Revenue trust moneys 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 Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus for the year.

***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 (deficit).

***Measurement uncertainty***

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.

**Athabasca Chipewyan First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

**Measurement uncertainty** *(Continued from previous page)*

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.

**Liability for contaminated sites**

Expenditures that relate to on-going environmental and remediation programs are charged against surplus (deficit) as incurred. A liability for contaminated sites reflects management's best estimate of the amount required to remediate the contaminated sites. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

**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 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.
- vi. 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.
- vii. 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.

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

**Revenue recognition** *(Continued from previous page)*

viii. 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.

**Segments**

The First Nation conducts its business through 13 reportable segments: See "reporting entity" accounting policy note for list of reportable 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. 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 surplus (deficit). 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, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the 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 remeasurement gains and losses.

**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;

# Athabasca Chipewyan First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2023*

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

#### **Fair value measurements** *(Continued from previous page)*

- 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.

#### **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, 2023.

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, 2023.

#### **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 revenues and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenues 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 \$262,393 (2022 - \$265,173) restricted for capital housing projects (Note 13.).

	2023	2022
Cash and cash equivalents	5,930,417	10,688,138
Restricted Cash	262,393	265,173
GIC	6,000,677	5,009,748
	<b>12,193,487</b>	<b>15,963,059</b>

### 4. Accounts receivable

	2023	2022
Accounts receivable	3,014,138	9,209,581
Less: Allowance for doubtful accounts	1,664,298	1,628,209
	<b>1,349,840</b>	<b>7,581,372</b>



**Athabasca Chipewyan First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**5. Investments**

Short term investments are carried at fair market value:

	2023	2022
Cash and cash equivalents	862,628	540,484
Equities	8,454,243	9,337,253
Fixed income	3,970,625	3,734,139
	<b>13,287,496</b>	<b>13,611,876</b>

During the year the investments earned investment income of \$345,938 (2022 - \$295,922) and incurred investment related expenses of \$46,247 (2022 - \$49,636) and the net amount was re-invested into investments. The cost of investments is \$12,026,339 (2022 - \$11,746,434). The realized losses during the year were \$19,785 (2022 - \$282,868 gain). The change in fair value at year-end resulted in an unrealized loss of \$604,286 (2022 - \$712,288 gain).

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:

	<i>Opening net investment</i>	<i>Current draws</i>	<i>Advances to business enterprises</i>	<i>Current earnings (loss)</i>	<i>2023 Total investment</i>
<b>Investments held using modified equity method</b>					
ACFN Business Trust	70,015,135	(66,305,189)	-	(3,709,946)	-
Acden Companies Limited Partnership	-	-	61,985,654	-	61,985,654
2160415 Alberta Ltd.	67,997	-	-	84,605	152,602
2216328 Alberta Ltd.	4,316,302	-	-	(67,290)	4,249,012
ACFN Industry Investments Limited Partnership	(1,203,381)	(2,001,300)	-	4,198,754	994,073
	<b>73,196,053</b>	<b>(68,306,489)</b>	<b>61,985,654</b>	<b>506,123</b>	<b>67,381,341</b>

	<i>Opening net investment</i>	<i>Current draws</i>	<i>Advances to business enterprises</i>	<i>Current earnings</i>	<i>2022 Total investment</i>
<b>Investments held using modified equity method</b>					
ACFN Business Trust	62,791,762	(2,621,032)	-	9,844,405	70,015,135
2160415 Alberta Ltd. 3NE	(98,777)	-	-	166,774	67,997
2216328 Alberta Ltd. ICGP	4,450,286	-	-	(133,984)	4,316,302
ACFN Industry Investments LP	3,080	(360,118)	300,000	(1,146,343)	(1,203,381)
	<b>67,146,351</b>	<b>(2,981,150)</b>	<b>300,000</b>	<b>8,730,852</b>	<b>73,196,053</b>

*Continued on next 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:

**Athabasca Chipewyan First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

	<b>ACFN Business Trust</b>	<b>Acden Companies Limited Partnership</b>	<b>2160415 Alberta Ltd. - 3NE</b>	<b>2216328 Alberta Ltd. - ICGP</b>	<b>ACFN Industry Investments Limited Partnership</b>
	<i>As at March 31, 2023</i>	<i>As at March 31, 2023</i>	<i>As at March 31, 2023</i>	<i>As at March 31, 2023</i>	<i>As at March 31, 2023</i>
Assets	-	61,985,654	2,364,432	28,080,620	68,413,221
<b>Total assets</b>	-	61,985,654	2,364,432	28,080,620	68,413,221
Liabilities	-	-	2,211,830	23,831,608	67,419,148
<b>Total liabilities</b>	-	-	2,211,830	23,831,608	67,419,148
<b>Net Assets (debt)</b>	-	61,985,654	152,602	4,249,012	994,073
Total revenue	18,241	-	271,846	1,694,572	7,380,814
Total expenses	3,728,187	-	187,241	1,761,862	3,182,060
<b>Net income</b>	<b>(3,709,946)</b>	-	<b>84,605</b>	<b>(67,290)</b>	<b>4,198,754</b>

During the year the ACFN Business Trust paid for \$3,067,535 (2022 - \$1,741,032) 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**

	<b>2023</b>	<b>2022</b>
<b>Ottawa Trust - Funds held in trust</b>		
Balance, beginning of year	6,673	6,568
Compensation payments	170	105
Balance, end of year	6,843	6,673
<b>Agricultural Benefits Trust - Restricted Investments</b>		
Equities	28,629,106	30,424,770
Fixed income	20,287,812	20,141,868
Balance, end of year	48,916,918	50,566,638

**Athabasca Chipewyan First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

	<b>2023</b>	<b>2022</b>
<b>K'ai Taile Denesoline Trust - Restricted investments</b>		
Cash and cash equivalents	<b>3,966,876</b>	1,078,264
Equities	<b>10,199,588</b>	15,849,861
Fixed income	<b>15,527,588</b>	7,452,393
Balance, end of year	<b>29,694,052</b>	24,380,518
	<b>78,617,813</b>	74,953,829

During the year the restricted investments earned investment income of \$2,021,430 (2022 - \$3,578,812) industry contributions of \$7,116,056 (2022 - \$7,884,401), and incurred investment related expenses of \$521,908 (2022 - \$620,239) and the net amount was re-invested into restricted investments. The cost of restricted investments is \$75,419,821 (2022 - \$67,482,822). The realized gains during the year were \$1,257,854 (2022 - \$2,077,478). The change in fair value at year-end resulted in an unrealized loss of \$3,111,112 (2022 - \$1,895,529).

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, an other governmental organization of the First Nation. The First Nation owns 50% (2022 - 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 \$2,241,099-\$3,021,456) and cash distributions were \$1,990,266 (2022 - \$2,197,627).

**10. Accounts payable and accruals**

	<b>2023</b>	<b>2022</b>
Accounts payable and accruals	<b>5,244,677</b>	1,085,962
Government remittances	<b>74,034</b>	33,510
Holdbacks payable	<b>85,373</b>	85,373
	<b>5,404,084</b>	1,204,845

**11. Deferred revenue**

	<b>2023</b>	<b>2022</b>
ACFN Dene Land & Resource Management	<b>3,759,714</b>	3,139,689
Indigenous Services Canada	<b>6,396,746</b>	9,275,887
Social Development	<b>4,523</b>	4,523
Education and Training	<b>44,531</b>	44,531
	<b>10,205,514</b>	12,464,630

**Athabasca Chipewyan First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**12. Long-term debt**

	<b>2023</b>	<b>2022</b>
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.	<b>125,363</b>	141,184
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.	<b>32,582</b>	42,123
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 \$989 including interest at 3.81%, renewing March 2028.	<b>54,168</b>	64,173
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.	<b>77,320</b>	87,078
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.	<b>30,628</b>	34,043
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.	<b>308,523</b>	332,637
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.	<b>340,883</b>	359,041
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.	<b>777,152</b>	815,364
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.	<b>1,047,417</b>	1,084,843
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.	<b>2,283,460</b>	2,371,781
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 2024.	<b>478,757</b>	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 2023.	<b>11,214,000</b>	11,575,000
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 monthly installments of \$10,548 at prime plus 1.25%, renewing April 2024.	<b>325,810</b>	452,386

**Athabasca Chipewyan First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

	2023	2022
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%, renewing April 2024.	2,910,561	3,164,793
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%, renewing April 2024.	178,689	266,229
Royal Bank of Canada letter of credit, monthly installments of \$nil (2022 - monthly installments \$nil), and an interest rate of 0.00% (2022 - 0.00%).	100,000	100,000
	<b>20,285,313</b>	<b>21,385,200</b>

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:

	Total
2024	1,237,818
2025	1,135,307
2026	1,001,204
2027	922,100
2028	922,573
Thereafter	15,066,311

The prime rate as at March 31, 2023 is 6.70% (2022 - 2.70%).

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.

The First Nation has pledged total Buildings, included in Schedule 1, as collateral for CMHC mortgages above, with a carrying amount of \$19,600,305 (2022 - \$19,415,164).

**13. Replacement reserve**

Under conditions of agreements with CMHC, the First Nation is required to maintain certain reserves related to on-reserve housing projects estimated at \$402,297 (2022 - \$352,005). As at March 31, 2023, the First Nation has funded \$262,393 (2022 - \$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, 2023, 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 (2022 - \$2,460,443), of which \$267,790 (2022 - \$687,599) was drawn as of year-end. As at March 31, 2023, the Borrower is in compliance with all financial covenants. The guarantees remain in place for the duration of the loan, which matures February 10, 2025. Payments under these guarantees, which will remain in place until February 10, 2025, 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.

**Athabasca Chipewyan First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**14. Guarantees** *(Continued from previous page)*

As of March 31, 2023, 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 (2022 - \$38,000,000), of which \$22,228,000 (2022 - \$30,011,800) was drawn as of year-end. As at March 31, 2023, 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, 2023, 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.

**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, 2023 there were a total of 265 (2022 - 280) 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 \$189,749 (2022 - \$167,030).

**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, 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. The First Nation 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, 2023, two (2022 - one) customers accounted for 18% (2022 - 79%) 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.

***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 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 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 27, 2022.

**19. Comparative figures**

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

**20. Subsequent events**

***Alberta Wildfires***

On May 30, 2023, the hamlet of Fort Chipewyan, of which the Nation's community is located, was evacuated due to a forest wildfire growing in the surrounding area. The extent of the costs associated with the evacuation of members, support and housing to members during the evacuation, re-entry of members to the community, development of fire prevention barriers and its associated clean-up, and professional and administrative costs for administering cost recovery is currently unknown. The wildfire did not enter the community. The costs incurred are expected to be substantially recovered through Government assistance from Indigenous Services Canada.

***New Business Entities***

In August 2023, the Nation established ACFN Commercial Properties General Partnership and ACFN Commercial Properties Limited Partnership. The entities were established to hold investments in Commercial Properties purchased by the Nation. Subsequent to year end, the Nation purchased commercial property for \$4,700,000.

***Band Reparations Class Action***

On March 9, 2023, the Federal Court approved a Settlement Agreement in the Band Reparations Class Action lawsuit against the Government of Canada (*Gottfredson et al. v. His Majesty the King in Right of Canada*) related to the collective harm suffered by Indigenous communities as a result of the Indian Residential School system. Damages were awarded in the amount of \$2.8 billion to be held in trust for the benefit of the Class Members that included Athabasca Chipewyan First Nation. Each Nation will receive \$200,000 up front to cover costs of developing a programming plan to be submitted to the trust that would see approximately \$1,000,000 kick start money to be received plus 20 years of program funding paid by the trust.