
**SAULTEAU FIRST NATIONS
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

The First Nation Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Council and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the First Nation Council prior to its approval of the financial statements. The Committee also considers, for review by the Council and approval by the members, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Manning Elliott LLP, in accordance with Canadian generally accepted auditing standards.



Chetwynd, BC

INDEPENDENT AUDITORS' REPORT

To the Members of Saulteau First Nations

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Saulteau First Nations (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, remeasurement gains and losses 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 Nation as at March 31, 2023, and the consolidated results of its operations and 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Nation in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 of the financial statements, which explains that certain information presented for the year ended March 31, 2022 has been restated. Our opinion is not modified in respect of this matter.

Other Matter

The supplementary information included in Schedule 1 is presented for purposes of additional information. Management is responsible for the supplementary information. Our opinion on the combined financial statements does not cover the other information and we do not express any for of assurance conclusion thereon.

In connection with our audit of the combined financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the combined financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the Members of Saulteau First Nations *(continued)*

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the Members of Saulteau First Nations *(continued)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Manning Elliott LLP

MANNING ELLIOTT LLP
Chartered Professional Accountants
Abbotsford, British Columbia
August 28, 2024

SAULTEAU FIRST NATIONS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023


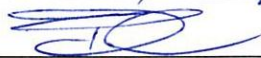
	Total	Total (Restated)
ASSETS		
Cash (Note 3)	\$ 49,485,894	\$ 18,785,400
Temporary investments (Note 3)	28,310,835	36,344,234
Accounts receivable (Note 4)	14,295,777	4,858,363
Long term investments (Note 5)	1,113	1,113
Investments in government business enterprises (Note 6)	24,799,851	27,475,831
Advances to related parties (Note 7)	9,954,957	8,601,947
	126,848,427	96,066,888
LIABILITIES		
Accounts payable and accrued liabilities (Notes 7, 8)	3,802,870	2,038,296
Advances from related parties (Note 7)	2,063,959	2,063,959
Long term debt (Note 9)	15,050,506	15,257,424
Deferred revenue (Note 10)	1,832,762	18,669
	22,750,097	19,378,348
NET FINANCIAL ASSETS	104,098,330	76,688,540
NON-FINANCIAL ASSETS		
Prepaid expenses and deposits	181,785	101,802
Tangible capital assets (Note 11)	49,633,637	41,431,637
	49,815,422	41,533,439
ACCUMULATED SURPLUS	\$153,913,754	\$118,221,979

CONTINGENCIES (Note 13)

LOAN GUARANTEES (Note 15)

SUBSEQUENT EVENTS (Note 20)

Approved by the Chief and Council

SAULTEAU FIRST NATIONS
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2023

	Budget (Note 18)	2023	2022 (Restated)
REVENUE (Note 22)			
Federal Government:			
Indigenous Services Canada	\$ 22,462,370	\$ 8,177,725	\$ 8,992,610
Canada Mortgage and Housing Corporation (Note 17)	235,550	50,698	12,512
Government of Canada	-	1,450,620	1,787,500
First Nations Health Authority	1,295,745	1,760,674	1,738,401
Provincial Government:			
Province of British Columbia	5,134,367	26,107,575	3,328,371
BC Hydro	601,500	703,308	1,819,637
BC First Nations Gaming	1,000,000	786,484	320,020
Rental revenue (Note 7)	583,000	765,292	730,183
Interest income	50,000	1,267,202	802,513
North East Native Advancing Society	7,000	13,157	34,425
BC Oil and Gas Commission	720,000	1,072,060	1,005,800
Cumulative Impacts	350,000	15,496,747	2,003,253
Other:			
Administration	50,000	37,001	35,995
Donations	60,500	970,060	508,607
First Nations Education Steering Committee	603,087	291,166	484,442
Reimbursements	50,000	-	30,585
Retail operations	36,900	106,164	31,593
Capacity development and negotiation	2,263,600	330,000	540,000
Royalty income other than resource	19,126,730	3,488,987	2,128,315
Other land use and miscellaneous contracts (Note 7)	1,983,995	1,998,556	3,301,297
Recoveries and settlements	702,955	698,096	351,369
	57,317,299	65,571,572	29,987,428

SAULTEAU FIRST NATIONS
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
(continued)
FOR THE YEAR ENDED MARCH 31, 2023

	Budget (Note 18)	2023	2022 (Restated)
EXPENSES (Note 21 and 22)			
Administration	20,634,901	12,129,593	5,692,375
Economic Development	4,086,832	2,402,319	3,731,492
Education	5,036,274	2,960,419	2,856,757
Family and Social Development	2,430,540	1,428,718	1,578,260
Health Services	3,030,337	1,781,291	2,037,348
Housing	3,921,549	2,305,162	1,986,311
Public works	4,846,282	2,848,738	1,816,791
Recreation and Culture	3,972,648	2,335,199	612,187
	47,959,363	28,191,439	20,311,521
SURPLUS FROM OPERATIONS	9,357,936	37,380,133	9,675,907
OTHER INCOME (EXPENSES)			
Income from government business enterprises/partnerships (Note 6)	-	236,521	3,245,966
Loss on disposal of tangible capital assets	-	-	(40,197)
	-	236,521	3,205,769
ANNUAL SURPLUS	9,357,936	37,616,654	12,881,676
ACCUMULATED SURPLUS - BEGINNING OF YEAR	104,889,671	118,221,979	104,703,896
Net remeasurement gains (losses) for the year	-	(1,924,879)	636,407
ACCUMULATED SURPLUS - END OF YEAR	\$114,247,607	\$153,913,754	\$118,221,979

SAULTEAU FIRST NATIONS
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2023

	Budget (Note 18)	2023	2022 (Restated)
ANNUAL SURPLUS	\$ 9,357,936	\$ 37,616,654	\$ 12,881,676
Purchase of tangible capital assets	-	(9,592,322)	(1,087,811)
Amortization of tangible capital assets	-	1,390,322	1,372,569
Proceeds on disposal of tangible capital assets	-	-	39,719
Loss on disposal of tangible capital assets	-	-	40,197
Net change in prepaid expenses	-	(79,984)	(7,993)
Net remeasurement gains (losses) for the year	-	(1,924,880)	3,273,870
	-	(10,206,864)	3,630,551
NET CHANGE IN NET FINANCIAL ASSETS	9,357,936	27,409,790	16,512,227
NET FINANCIAL ASSETS - BEGINNING OF YEAR	-	76,688,540	60,176,313
NET FINANCIAL ASSETS - END OF YEAR	\$ 9,357,936	\$ 104,098,330	\$ 76,688,540

SAULTEAU FIRST NATIONS
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022 <i>(Restated)</i>
ACCUMULATED REMEASUREMENT GAIN - BEGINNING OF YEAR	\$ 3,273,870	\$ 2,637,463
Unrealized gains (losses) attributable to temporary investments	(1,291,959)	1,875,732
Realized losses (gains) transferred to operations	(632,921)	(1,239,325)
Net remeasurement gains (losses) for the year	(1,924,880)	636,407
ACCUMULATED REMEASUREMENT GAIN - END OF YEAR	\$ 1,348,990	\$ 3,273,870

SAULTEAU FIRST NATIONS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022 <i>(Restated)</i>
OPERATING ACTIVITIES		
Annual surplus	\$ 37,616,654	\$ 12,881,676
Items not affecting cash:		
Amortization of tangible capital assets	1,390,322	1,372,569
Bad debts	-	16,777
Income from government business enterprises	(236,521)	(3,245,966)
Loss on disposal of tangible capital assets	-	40,197
Inventory write down	-	-
Net remeasurement gains (losses) for the year	(1,924,880)	636,407
	36,845,575	11,701,660
Changes in non-cash working capital:		
Accounts receivable	(9,437,414)	(204,908)
Prepaid expenses and deposits	(79,984)	(7,993)
Accounts payable and accrued liabilities	1,764,574	844,069
Deferred income	1,814,093	(12,599)
	(5,938,731)	618,569
	30,906,844	12,320,229
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(9,592,322)	(1,087,811)
Proceeds on disposal of tangible capital assets	-	39,719
Net change in temporary investments	8,033,399	(2,587,250)
Net change in government business enterprises	2,912,503	3,310,327
Net change in advances to related parties	(1,353,011)	(1,399,408)
	569	(1,724,423)
FINANCING ACTIVITIES		
Proceeds from long term financing	-	179,003
Repayment of long term debt	(206,919)	(224,393)
	(206,919)	(45,390)
NET CHANGE IN CASH FLOW	30,700,494	10,550,416
CASH - BEGINNING OF YEAR	18,785,400	8,234,984
CASH - END OF YEAR (Note 3)	\$ 49,485,894	\$ 18,785,400

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NATURE OF OPERATIONS

Saulteau First Nations (the "Nation") provides services and support to its Band members. Saulteau First Nations is an Indian Band and, as such, is exempt from income tax under section 87 of the Indian Act.

1. PRIOR YEAR RESTATEMENT

During the year, it was discovered that an error existed in the reported amounts of temporary investments in the fiscal 2022 year. As a result, the Nation has adjusted the 2022 financial figures to reflect the correction of this error. The effect of the correction is summarized as follows:

	2022 (as previously stated)	2022 (Restated)	Adjustment
Temporary investments	\$ 33,070,364	\$ 36,344,234	\$ 3,273,870
Net Financial Assets	73,414,670	76,688,540	3,273,870
Accumulated surplus	114,948,109	118,221,979	3,273,870

In addition to the above changes, the statement of remeasurement gains and losses was added to the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Nation are prepared by management in accordance with the CPA Canada Public Sector Accounting Standards. Significant accounting policies adopted by the Nation are as follows:

(a) 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.

(b) Reporting entity and principles of financial reporting

The Nation's reporting entity includes the Saulteau First Nations government and all related entities that are either owned or controlled by the Nation. All controlled entities are consolidated into the Nation's financial statements according to the Nation's percentage ownership except for commercial enterprises which meet the definition of a government business enterprise or a government business partnership, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Government partnerships are accounted for using the proportionate consolidation method. Under this method, the Nation includes its pro rata share of the assets, liabilities, revenues and expenses that are subject to shared control on a line-by-line basis with similar items in its financial statements. The proportionate consolidation method of reporting includes the assets, liabilities, revenues and expenses of the following government partnerships:

- Nikanese Wah Tzee Stewardship Society (50% owned)
- 1225936 B.C. Ltd. (100% owned)

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SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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

Under the modified equity method of accounting, only the Nation's investment in the government business entities and the its portion of the entity's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the entities that are different from those of the Nation, and inter-organizational balances and transactions are not eliminated.

The Nation's investment in the following government business enterprises are recorded on a modified equity basis:

- 4 Evergreen Resources Limited Partnership
- 4 Evergreen Resources Inc.
- Six Nations Ventures Limited Partnership
- Three Nations Ventures Limited Partnership
- Twin Sisters Native Plants Nursery Limited Partnership
- Saulteau Camp Services Limited Partnership
- Saulteau Camp Services (GP) Limited
- 4 Evergreen Harvesting Incorporated
- Saulteau Ventures Limited Partnership
- Saulteau Resource Ventures (GP) Limited
- Sukunka Wind Project Limited Partnership
- Sukunka Wind Project (GP) Ltd.
- Mistahiya Development Corporation
- Saulteaux Green Energy Limited Partnership
- Saulteaux Green Energy Ltd.
- Saulteau Communications Limited Partnership
- Saulteau Communications (GP) Ltd.
- 1225936 Limited Partnership
- 1225936 BC (GP) Ltd.
- Aski Reclamation Limited Partnership
- 1202370 Limited Partnership
- 1202370 BC Ltd.
- Atooskee Energy Services Limited Partnership
- North Wind Supplies Limited Partnership

(c) 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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, and prepaid expenses.

(d) Cash

Cash includes cash on hand, balances with various financial institutions, and investments in money market instruments with maturities of three months or less.

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SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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

(e) Temporary investments

Temporary investments 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 amortized cost less impairment.

Temporary investments with prices quoted in an active market include equity, investment trusts and mutual funds. Changes in fair value are recorded in the statement of remeasurement gains (losses).

Temporary investments measured at amortized cost include bonds and guaranteed investment certificates.

(f) Long term investments

The Nation's investment in the following entities which are not controlled, are recorded at cost.

- First Nations Pipeline Limited Partnership
- Little Prairie Community Forest Inc.
- BC First Nations Gaming Limited Partnership

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

(g) Use of estimates

The preparation of consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Items requiring significant estimates include assumptions used in estimating collectability of accounts receivable and advances to related parties, the estimated useful lives of tangible capital assets, measurement of deferred and accrued liabilities and the estimated liability for contaminated sites

(h) Segments

The Nation conducts its business through nine reportable segments: Administration, Economic Development, Education, Enterprise Fund, Family and Social Development, Health Services, Housing, Public Works, Recreation and Culture. These operating segments are established by senior management to facilitate the achievement of the 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.

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

(*continues*)

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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

(i) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight - line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings	25-50 years
Machinery and equipment	3-20 years
Engineering structures	15-25 years
Automotive	10 years

Tangible capital assets under construction, development or that have been removed from service are not amortized.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

In accordance with Canada Mortgage and Housing Corporation policies, amortization of CMHC funded social housing is equal to the principal repayment on the related long-term debt. This policy is not in compliance with the CPA Canada Public Sector Accounting Handbook, however, the difference was determined not to have a material impact on the consolidated financial statements.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(j) Government transfers

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

(k) Revenue recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Revenue received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the purpose specified.

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SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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

(k) Revenue recognition (*continued*)

Rental revenue is recognized when the services are provided to tenants, and collection is reasonably assured. When rental payments are received in advance of contracted services, the Nation records this as deferred revenue.

Interest income on loans receivable and on funds held in trust are recorded as revenue when received by the Nation.

Royalty revenue and revenues from other land use and miscellaneous contracts is recognized on an accrual basis when services are provided, and collection is reasonably assured. When payments are received in advance of contracted services, the Nation records this as deferred revenue.

(l) Financial instruments

The Nation recognizes its financial instruments when the 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 Nation may irrevocably elect to subsequently measure any financial instrument at fair value.

The 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 statement of remeasurement gains and losses. Interest income is recognized in the 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. 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. 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 statement of remeasurement gains and losses.

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SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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

(m) 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 and unrealized foreign exchange gains (losses) are distinguished from revenues and expenses reported in the statement of operations. The 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 statement of remeasurement gains and losses. Taken together, the two statements account for changes in the Nation's net assets (liabilities) in the period.

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

(n) 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 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 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 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. As at March 31, 2023, no liability for contaminated site exists.

(o) Change in accounting policies

Effective April 1, 2022, the Nation adopted the recommendations relating to the following accounting policies, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 3280 Asset Retirement Obligations
- PS 3450 Financial Instruments

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. The adoption of PS 3280 and PS 3450 did not have a material impact on the financial statements.

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

3. CASH AND TEMPORARY INVESTMENTS

	2023	2022
Cash	\$ 49,485,894	\$ 18,785,400
Temporary investments	28,310,835	36,344,234
	77,796,729	55,129,634
Externally Restricted		
Ottawa Trust Funds - Capital (Note 12)	42,787	42,787
Ottawa Trust Funds - Revenue (Note 12)	673	433
Replacement reserve	183,512	152,688
	226,972	195,908
Unrestricted		
Operating	77,569,757	54,933,726
	\$ 77,796,729	\$ 55,129,634

Temporary Investments

Temporary investments includes equity investments recorded at fair value of \$18,365,833 (2022 - \$22,257,425), bonds of \$9,029,372 (2022 - \$10,466,597) and fixed income investments recorded at amortized cost of \$556,226 (2022 - \$670,451).

Temporary investments also includes a term deposit which consists of an 18 month cashable GIC at 0.60% per annum (2022 - 12 and 18 month cashable GICs at rates varying from 0.50% to 0.60% per annum), which will mature in July 2023.

Replacement Reserves

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the Replacement Reserve account is to be credited annually by \$5,000 (2022 - \$5,000) as specified by CMHC. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. Withdrawals are credited to interest first and then principal.

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

4. ACCOUNTS RECEIVABLE

	2023	2022
Trade receivables	\$ 11,716,258	\$ 1,057,026
Accrued receivable	2,500,603	3,742,252
CMHC social housing rent	52,581	53,612
Band housing rent	116,276	95,414
Less: Allowance for doubtful accounts	(89,941)	(89,941)
	\$ 14,295,777	\$ 4,858,363

5. LONG TERM INVESTMENTS

	2023	2022
First Nations Pipeline Limited Partnership	\$ 1,000	\$ 1,000
Little Prairie Community Forest Inc.	3	3
BC First Nations Gaming Limited Partnership	110	110
	\$ 1,113	\$ 1,113

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

6. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES AND PARTNERSHIPS

	2023	2022
4 Evergreen Resources Limited Partnership (99.99%)	\$ 19,473,002	\$ 20,287,831
4 Evergreen Resources Inc. (100%)	1	1
Six Nations Ventures Limited Partnership (16.66%)	335,517	322,894
Three Nations Ventures Limited Partnership (33.33%)	155,142	155,142
Twin Sisters Native Plants Nursery Limited Partnership (49.99%)	28,840	33,815
Saulteau Camp Services Limited Partnership (99.99%)	143,795	152,119
Saulteau Camp Services (GP) Limited (100%)	1	1
4 Evergreen Harvesting Incorporated (100%)	1	1
Saulteau Ventures Limited Partnership (99.99%)	3,399,019	2,937,724
Saulteau Resource Ventures (GP) Ltd. (100%)	1	1
1142616 BC Ltd. (100%)	(489,328)	(261,045)
Sukunka Wind Project Limited Partnership (85%)	3,575,966	5,122,479
Sukunka Wind Project (GP) Ltd. (100%)	1	1
Saulteau Development Corp. (100%)	120	120
Mistahiya Development Corporation (100%)	1	1
Saulteaux Green Energy Limited Partnership (99.99%)	100	100
Saulteaux Green Energy Ltd. (100%)	1	1
Saulteau Communications Limited Partnership (99.99%)	100	100
Saulteau Communications (GP) Ltd. (100%)	1	1
1225936 BC (GP) Ltd. (100%)	1	1
Aski Reclamation Limited Partnership (100%)	(553,448)	(582,550)
1202370 Limited Partnership (50%)	50	50
1202370 BC Ltd. (50%)	1	1
Atooskee Energy Services Limited Partnership (99%)	(89,877)	(62,490)
North Wind Supplies Limited Partnership (99.99%)	(1,179,157)	(630,468)
	\$ 24,799,851	\$ 27,475,831

4 Evergreen Resources Limited Partnership

The principal purpose of 4 Evergreen Resources Limited Partnership ("4EG") is providing contract services for the oil and gas, timber and road construction industries.

4 Evergreen Resources Inc.

The principle purpose of 4 Evergreen Resources Inc. is to act as the general partner of the 4 Evergreen Resources Limited Partnership.

Six Nations Ventures Limited Partnership

Six Nations Ventures Limited Partnership is a partnership of Blueberry River First Nations, Doig River First Nation, Halfway River First Nation, Prophet River First Nation, Saulteau First Nations, West Moberly First Nations and Six Nations Ventures Inc. This partnership operates a log sort yard on a contract basis in Fort St. John, British Columbia.

Three Nation Ventures Limited Partnership

Three Nations Ventures Limited Partnership is a limited partnership of the Saulteau First Nations, Blueberry First Nations, West Moberly First Nations, and Three Nations Ventures Inc. This partnership operates predominantly in the forestry sector and operates a log sort yard. There was no activity in the current year.

(continues)

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

6. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES AND PARTNERSHIPS *(continued)*

Twin Sisters Native Plants Nursery Limited Partnership

Twin Sisters Native Plants Nursery Limited Partnership is a limited partnership of the Saulteau First Nations. The principal purpose is to provide plant growing and seed collecting services.

Saulteau Camp Services Limited Partnership

Saulteau Camp Services Limited Partnership is a limited partnership of the Saulteau First Nations. The principle purpose is the collection of interest payments.

Saulteau Camp Services (GP) Limited

The principle purpose of Saulteau Camp Services (GP) Limited is to act as the general partner of the Saulteau Camp Services Limited Partnership.

4 Evergreen Harvesting Incorporated

4 Evergreen Harvesting Incorporated was inactive for the fiscal period ended, and as a result has not been included in the accompanying table below. There was no activity in the current year.

Saulteau Ventures Limited Partnership

Saulteau Ventures Limited Partnership is a limited partnership of the Saulteau First Nations. The principal purpose is identifying and participating in opportunities available to the Saulteau First Nations for the supply of goods and services.

Saulteau Resource Ventures (GP) Limited

The principle purpose of Saulteau Resource Ventures (GP) Limited is to act as the general partner of the Saulteau Ventures Limited Partnership.

1142616 BC Ltd.

The principal purpose of 1142616 BC Ltd. is holding land and real estate investments on behalf of Saulteau First Nations.

Sukuna Wind Project Limited Partnership

Sukunka Wind Project Limited Partnership is a limited partnership of the Saulteau First Nations and Natural Forces Assets Limited Partnership. The principle purpose is to develop, construct, and operate renewable energy projects.

Sukuna Wind Project (GP) Ltd.

The principle purpose of Sukunka Wind Project (GP) Ltd. is to act as the general partner of the Sukunka Wind Project Limited Partnership.

Mistahiya Development Corporation

The principle purpose of Mistahiya Development Corporation is to oversee and manage those Saulteau First Nations business interests directed to it by the Saulteau First Nations including, if necessary, holding title to and maintaining assets on behalf of and for the benefit of the Saulteau First Nations.

(continues)

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

6. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES AND PARTNERSHIPS *(continued)*

Saulteaux Green Energy Limited Partnership

Saulteaux Green Energy Limited Partnership is a limited partnership of the Saulteau First Nations. The principle purpose of Saulteaux Green Energy Limited Partnership is to develop and progress clean energy projects for the Saulteau First Nations. There was no activity in the current year.

Saulteaux Green Energy Ltd.

The principle purpose of Saulteaux Green Energy Ltd. is to act as the general partner of the Saulteaux Green Energy Limited Partnership. There was no activity in the current year.

Saulteau Communications Limited Partnership

Saulteau Communications Limited Partnership is a limited partnership of the Saulteau First Nations. The principle purpose of Saulteau Communications Limited Partnership is to bring fibre optic cable to members of the Saulteau First Nations. There was no activity in the current year.

Saulteau Communications (GP) Ltd.

The principle purpose of Saulteau Communications (GP) Ltd. is to act as the general partner of the Saulteau Communications Limited Partnership. There was no activity in the current year.

1225936 BC (GP) Ltd.

The principle purpose of 1225936 BC (GP) Ltd. is to act as the general partner of the 1225936 Limited Partnership. There was no activity in the current year.

Aski Reclamation Limited Partnership

Aski Reclamation Limited Partnership is a limited partnership of the Saulteau First Nations. The principle purpose of Aski Reclamation Limited Partnership is to provide reclamation services to the oil and gas and public sectors.

1202370 BC Limited Partnership

1202370 Limited Partnership is a limited partnership of the Saulteau First Nations and West Moberly First Nations. The principle purpose of the 1202370 BC Limited Partnership was to run a health centre. This project is currently inactive.

1202370 BC Ltd.

The principle purpose of the 1202370 BC Ltd. is to act as the general partner of the 1202370 BC Limited Partnership.

Atooskee Energy Services Limited Partnership

Atooskee Energy Services Limited Partnership is a limited partnership of Saulteau First Nations. The principle purpose of the partnership is to run a fuel card lock.

North Wind Supplies Limited Partnership

North Wind Supplies Limited Partnership is a limited partnership of Saulteau First Nations. The principle purpose of the partnership is to run an industrial supply store.

SAULTEAU FIRST NATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

6. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (continued)

	4 Evergeen Resources Limited Partnership	Six Nations Ventures Limited Partnership	Saulteau Camp Services Limited Partnership	Twin Sisters Native Plants Nursery Limited Partnership	Saulteau Camp Services (GP) Limited	Saulteau Ventures Limited Partnership	Saulteau Resource Ventures (GP) Limited	1142616 BC Ltd.	Sukunka Wind Project Limited Partnership	ASKI Reclamation Limited Partnership	Atooskee Energy Services Limited Partnership	Northwind Supplies Limited Partnership	2023	2022
Assets														
Current	\$ 17,342,809	\$ 1,118,690	\$ 165,821	\$ 648,182	\$ 497,703	\$ 3,402,679	\$ 944,390	\$ 403	\$ 3,805,033	\$ 1,979,874	\$ 32,783	\$ 919,227	\$ 30,857,594	\$ 31,844,149
Non-current	31,192,552	962,429	-	657,083	146	-	510	6,265,968	36,843,034	111,001	82,150	61,857	76,176,730	65,950,662
Total Assets	48,535,361	2,081,119	165,821	1,305,265	497,849	3,402,679	944,900	6,266,371	40,648,067	2,090,875	114,933	981,084	107,034,324	97,794,811
Liabilities														
Current	18,314,503	86,782	14,554	1,247,642	1,150	3,150	900	22,052	1,344,716	2,607,876	2,501	2,145,257	25,791,083	17,901,389
Non-current	10,755,115	-	7,327	-	502,194	-	1,002,531	6,742,753	34,372,076	37,000	202,500	-	53,621,496	49,906,433
Total Liabilities	29,069,618	86,782	21,881	1,247,642	503,344	3,150	1,003,431	6,764,805	35,716,792	2,644,876	205,001	2,145,257	79,412,579	67,807,822
Equity	19,465,743	1,994,337	143,940	57,623	(5,495)	3,399,529	(58,531)	(498,434)	4,931,275	(554,001)	(90,068)	(1,164,173)	27,621,745	29,986,989
	48,535,361	2,081,119	165,821	1,305,265	497,849	3,402,679	944,900	6,266,371	40,648,067	2,090,875	114,933	981,084	107,034,324	97,794,811
Revenue	47,412,879	1,381,826		1,124,946	5,009	465,532	46	136,975	-	6,128,502	-	1,599,863	58,255,578	65,616,311
Expenditures	47,227,690	1,306,080	8,325	1,134,897	1,150	4,191	921	(91,308)	-	6,099,371	27,414	2,148,607	57,867,338	42,981,126
Net income (loss)	185,189	75,746	(8,325)	(9,951)	3,859	461,341	(875)	228,283	-	29,131	(27,414)	(548,744)	388,240	22,635,185
Allocation	\$ 185,170	\$ 12,624	\$ (8,324)	\$ (4,975)	\$ -	\$ 461,295	\$ -	\$ (228,283)	\$ 365,988	\$ 29,102	\$ (27,387)	\$ (548,689)	\$ 236,521	\$ 3,245,966

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

7. RELATED PARTY BALANCES AND TRANSACTIONS

	2023	2022
Advances to related parties		
1142616 BC Ltd.	\$ 5,578,893	\$ 5,612,616
Saulteau Camp Services (GP) Ltd.	500,493	473,848
Twin Sisters Native Plant Nursery Limited Partnership	281,802	195,802
4 Evergreen Resources Limited Partnership	21,898	-
4 Evergreen Harvesting Inc.	946	946
Aski Reclamation Ltd.	387,068	387,068
Mistahiya Development Corporation	3,183,857	1,931,667
	\$ 9,954,957	\$ 8,601,947
Advances from related parties		
Saulteau Resource Ventures (GP) Ltd.	\$ 1,584,508	\$ 1,584,508
Saulteau Development Corp.	120	120
Three Nations Ventures Limited Partnership	148,500	148,500
Saulteau Ventures Limited Partnership	317,612	317,612
Atooskee Energy Services Limited Partnership	13,119	13,119
North Wind Supplies Ltd.	100	100
	\$ 2,063,959	\$ 2,063,959

During the year, Saulteau First Nations paid a total of \$Nil (2022 - \$17,540) in fees to and collected a total of \$287,428 (2022 - \$257,660) in fees from 4 Evergreen Resources Limited Partnership for various contracted, consulting and rental services. These transactions were conducted in the normal course of operations and were measured at the estimated carrying amount which approximates fair value.

During the year, Saulteau First Nations paid a total of \$69,556 (2022 - \$Nil) in fees to North Wind Supplies LP for renovations, repairs and maintenance, community events and program resources. These transactions were conducted in the normal course of operations and were measured at the estimated carrying amount which approximates fair value.

During the year, Saulteau First Nations paid a total of \$23,019 in consulting fees to Aski Reclamation Limited Partnership (2022 - \$218,714) and collected \$26,309 in contract and rental fees (\$Nil - 2022). These transactions were conducted in the normal course of operations and were measured at the estimated carrying amount which approximates fair value. Also, at year end Saulteau First Nations had a balance of \$126,309 (2022 - \$113,925) in their accounts payable balance due from Aski Reclamation Limited Partnership.

All balances between related parties are unsecured, non-interest bearing, and have no set terms of repayment.

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade payables	\$ 2,539,036	\$ 893,851
Accrued liabilities	638,601	616,104
GST payable	-	9,771
Accrued salaries and employee benefits payable	258,643	44,394
WCB Payable	7,815	11,452
Vacation payable and overtime	171,013	200,878
Other accounts payable	187,762	261,846
	\$ 3,802,870	\$ 2,038,296

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

9. LONG TERM DEBT

	2023	2022
Canadian Imperial Bank of Canada Loan payable, bearing interest at 6.95% per annum, payable in monthly installments of \$339, matured March 2022.	\$ -	\$ 9,693
Royal Bank of Canada Loan payable, bearing interest at 3.64% per annum, payable in monthly installments of \$6,841, maturing December 2023.	986,156	1,031,440
Royal Bank of Canada Loan payable, bearing interest at 6.70% per annum, payable in monthly installments of interest only, maturing January 2024.	6,798,000	6,798,000
Royal Bank of Canada Loan payable, bearing interest at 5.01% (2022 - 2.94%) per annum, repayable in monthly installments of \$765 (2022 - \$697), maturing November 2027.	64,068	70,274
Royal Bank of Canada Loan payable, bearing interest at 5.01% (2022 - 2.34%) per annum, payable in monthly installments of \$261 (2022 - \$235), maturing September 2026.	21,714	22,661
Royal Bank of Canada Infrastructure loan payable, bearing interest at 6.70% (2022 - 3.95%) per annum, payable in monthly installments of \$7,446 (2022 - \$7,445), maturing February 2024.	1,855,903	1,945,249
Royal Bank of Canada Infrastructure loan payable, bearing interest at 6.70% per annum, maturing January 2024.	940,000	940,000
Royal Bank of Canada Loan payable, bearing interest at 6.70% per annum, payable in monthly installments of \$8,769, maturing April 2023.	1,253,072	1,290,516
Royal Bank of Canada Loan payable, bearing interest at 7.95% (2022 - 3.95%) per annum, payable in monthly installments of \$1,500, maturing April 2023.	52,590	70,588
Bank of Montreal - bearing interest at prime plus 0.75% per annum, payable in monthly installments of interest only.	2,900,000	2,900,000
Minister of Indian Affairs and Northern Development loan, interest-free, repayable April 2023 the date the claim was settled.	179,003	179,003
	\$ 15,050,506	\$ 15,257,424

Principal repayments on long term debt for the next four years are as follows:

2024	\$ 11,855,061
2025	2,947,722
2026	188,196
2027	59,527
	<u>\$ 15,050,506</u>

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

10. DEFERRED REVENUE

	2023	2022
Province of BC - ELCC Funding	\$ 266,204	\$ -
BC Aboriginal Child Care Society Funding	204,257	-
Province of BC - MELT Funding	218,179	-
Province of BC - Child Care Funding	221,139	-
Indigenous Skills and Employment Training	364,603	-
Ministry of Children and Family Development	341,318	-
CRI FireSmart Community Funding	67,358	-
Other funding	149,704	18,669
	\$ 1,832,762	\$ 18,669

SAULTEAU FIRST NATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

11. TANGIBLE CAPITAL ASSETS

	Land	Automotive	Buildings	Construction in Progress	Engineered Structures	Machinery and Equipment	2023
Cost, beginning of year	\$ 2,968,336	\$ 855,951	\$ 35,861,624	\$ 2,130,536	\$ 12,057,595	\$ 1,534,981	\$ 55,409,023
Additions	-	79,896	550,380	8,490,672	178,402	292,972	9,592,322
Asset reclassification	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Cost, end of year	2,968,336	935,847	36,412,004	10,621,208	12,235,997	1,827,953	65,001,345
Accumulated amortization, beginning of year	-	391,645	7,424,152	-	5,502,277	659,312	13,977,386
Amortization	-	77,226	739,435	-	336,970	236,691	1,390,322
Disposals	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	468,871	8,163,587	-	5,839,247	896,003	15,367,708
Net carrying amount, end of year	2,968,336	466,976	28,248,417	10,621,208	6,396,750	931,950	49,633,637

During the year, costs of \$8,490,672 (2022 - \$254,305) were capitalized in relation to tangible capital assets not yet ready for use. Capitalized costs of \$Nil (2022 - \$6,321,014) incurred in the current year and prior years were moved from construction in progress to buildings and began to be amortized.

SAULTEAU FIRST NATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

11. TANGIBLE CAPITAL ASSETS (continued)

	Land	Automotive	Buildings	Construction in Progress	Engineered Structures	Machinery and Equipment	2022
Cost, beginning of year	\$ 2,968,336	\$ 718,232	\$ 29,388,525	\$ 8,197,245	\$ 12,057,595	\$ 1,149,171	\$ 54,479,104
Additions	-	162,475	256,757	254,305	-	419,811	1,093,348
Asset reclassification	-	34,001	6,321,014	(6,321,014)	-	(34,001)	-
Disposals	-	(58,757)	(104,672)	-	-	-	(163,429)
Cost, end of year	2,968,336	855,951	35,861,624	2,130,536	12,057,595	1,534,981	55,409,023
Accumulated amortization, beginning of year	-	347,036	6,811,888	-	5,119,738	404,131	12,682,793
Amortization	-	71,049	663,800	-	382,539	255,181	1,372,569
Disposals	-	(26,440)	(51,536)	-	-	-	(77,976)
Accumulated amortization, end of year	-	391,645	7,424,152	-	5,502,277	659,312	13,977,386
Net carrying amount, end of year	2,968,336	464,306	28,437,472	2,130,536	6,555,318	875,669	41,431,637

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

12. OTTAWA TRUSTS FUNDS

	2022	Additions	Withdrawals	2023	2022
Capital	\$ 42,787	\$ -	\$ -	\$ 42,787	\$ 42,787
Revenue	433	240	-	673	433
	\$ 43,220	\$ 240	\$ -	\$ 43,460	\$ 43,220

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

13. CONTINGENCIES

From time to time, there are potential claims against the Nation for incidents which arise in the ordinary course of business. In the opinion of management and legal counsel, the outcomes of the claims are not determinable at this time and cannot be estimated. Should any loss result from the resolution of these claims, such a loss will be charged to operations in the year of resolution.

14. PENSION PLAN

The Nation and certain of its employees contribute to the Saulteau First Nations Pension Plan (the "Plan"). The Plan is a defined contribution plan. The Nation administers the Plan through Manulife, including the payment of pension benefits on behalf of the employer and employees in accordance with the federal legislation. Contributions to the plan are based on fixed percentages of a participant's contributions up to a maximum amount per participant.

During the year, the Nation paid \$217,425 (2022 - \$225,514) to the Plan on behalf of its employees which is included in salaries and benefits.

15. LOAN GUARANTEES

The Nation has guaranteed two lines of credit for 4 Evergreen Resources Limited Partnership of up to \$9,000,000 and \$8,000,000 (2022 - \$9,000,000 and \$8,000,000) with interest rates of prime plus 0.75% and prime plus 0.50%, respectively, (2022 - prime plus 0.75% and prime plus 0.50%) per annum. At March 31, 2023, the balance owing was \$1,146,199 (2022 - \$Nil).

The Nation has guaranteed a line of credit for Twin Sisters Native Plants Nursery Limited Partnership in the amount of \$300,000 (2022 - \$300,000), with an interest rate of prime plus 2.30% (2022 - prime plus 2.30%) per annum. At March 31, 2023, the balance owing was \$90,113 (2022 - \$127,374).

The Nation has a credit facility with BMO for an on reserve home loan program of up to a maximum of \$2,500,000 in guarantees, of which \$1,508,058 (2022 - \$797,931) has been utilized.

In 2019, the Nation has guaranteed a real estate financing loan for 1142616 BC Ltd. in the amount of \$875,000, with an interest rate of prime plus 0.75% per annum. At March 31, 2023, \$783,291 (2022 - \$797,804) of the loan was outstanding.

In 2020, the Nation guaranteed a real estate financing loan for 1225936 Limited Partnership in the amount of \$2,900,000, with an interest rate of prime plus 0.75% per annum. As at March 31, 2023, the balance owing was \$Nil (2022 - \$Nil).

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

16. FINANCIAL INSTRUMENTS RISKS

The Nation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Nation's risk exposure and concentration as of March 31, 2023, which remain significantly unchanged compared to the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Nation's main credit risks relate to its accounts receivable and advances to related parties. Accounts receivable are primarily due from provincial and federal government ministries that are tied to approved contracts for services and have minimal risk of default. See Note 4 for the allowance for doubtful accounts recorded.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Nation is exposed to this risk mainly in respect of its receipt of funds from its accounts payable, advances from related parties and long term debt. It is the Nation's intention to meet its financial obligations through the collection of current accounts receivable, cash on hand and future funding from government agencies. The Nation mitigates liquidity risk by ensuring it documents when authorized payments become due and monitors cash balances and cash flows generated from investments against its anticipated, committed and contemplated outflows.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the Nation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Nation is not exposed to foreign currency exchange risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through its normal operating and financing activities. The Nation is exposed to interest rate risk primarily through its floating interest rate credit facilities and temporary investments.

Other price risk

The Nation's investments in publicly-traded securities exposes the Nation to price risks as such investments are subject to price changes in an open market due to market movements, global markets and changes to market rates of interest. The Nation reduces its exposure to other price risk by diversifying its investment portfolio.

17. FEDERAL ASSISTANCE PAYMENTS

The Social Housing Fund receives federal assistance through CMHC, pursuant to Section 56.1 of the National Housing Act, to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received for the year ended March 31, 2023 was \$50,698 (2022 - \$12,512).

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

18. BUDGET

The budget was adopted by Chief and Council on July 12, 2022. It was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of administration fee revenue billed between programs to reduce current year expenditures in excess of current year revenues.

19. SETTLEMENT CLAIMS

Royal Trust Corporation of Canada ("Trustee") holds \$10,290,582 (2022 - \$10,829,721) in trust for members of the Nation for the purpose of receiving and disbursing settlement funds to members not yet eligible to receive, or who have not yet come forward to receive their proportionate share of the settlement funds. These trust assets have not been included in these consolidated financial statements as the funds are held and administered by the Trustee for the members as primary beneficiaries.

20. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

Member Distribution

A distribution of \$5,350,000 was made to the Nation's members with funds which were withdrawn from the Nation's temporary investments.

Treaty 8 Land Entitlement Claims

A settlement between the five Treaty 8 First Nations, the Province of British Columbia and Canada was reached in response to Treaty 8 Land Entitlement claims. As part of this settlement, the First Nations received 68,000 acres of land and \$123,458,278 in compensation, less negotiation costs in April 2023.

Cultural Centre

In May 2022, the Nation began building a cultural centre. The building construction was completed in July 2024 with a cost of approximately \$26,000,000.

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

21. EXPENSE BY OBJECT

	2023	2022
Advertising	\$ 100,243	\$ 12,841
Amortization	1,390,322	1,372,569
Appliances	45,679	-
Bad debts	-	16,777
Bank charges	147,856	216,973
Community events (Note 7)	380,878	158,153
Consulting fees (Note 7)	4,272,240	4,355,298
Cost of retail operations	72,145	40,006
Direct social assistance	642,206	499,875
Donations	382,567	262,807
Equipment purchases	-	162,348
Equipment rental	140,986	185,829
Garbage collections	57,020	48,100
Honoraria	6,099,381	1,472,921
Insurance	266,178	252,800
Interest on long term debt	690,555	249,018
Meals and entertainment	7,470	140,896
Meetings	2,579	20,597
Office and miscellaneous	166,115	103,000
Professional fees	924,072	675,881
Program resources (Note 7)	1,055,745	884,239
Property taxes	75	708
Renovations, repairs and maintenance (Note 7)	1,447,581	665,625
Rent	-	36,390
Salaries and benefits (Note 14)	7,518,834	6,637,446
Septic tank services	161,632	177,037
Student allowances and transportation	832,285	723,945
Supplies	27,780	50,842
Telephone	163,341	131,972
Travel expenses	334,667	306,481
Utilities	108,614	148,353
Vehicle expense	234,565	120,886
Workshops and training	517,828	180,908
	\$ 28,191,439	\$ 20,311,521

22. SEGMENTED INFORMATION

The Saulteau First Nations is a government institution that provides a range of programs and services to its members, including social, education, health, housing, public works and economic activities. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided for departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information.

(continues)

SAULTEAU FIRST NATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

22. SEGMENTED INFORMATION (continued)

	Administration	Economic Development	Education	Enterprise Fund	Family & Social Development	Health Services	Housing	Public Works	Recreation & Culture	2023	2022
Revenue											
ISC	1,026,886	209,265	2,772,841	-	1,789,724	80,455	1,539,795	758,759	-	8,177,725	8,992,610
CMHC	-	-	-	-	-	-	50,698	-	-	50,698	12,512
First Nation Health Authority	-	-	173,806	-	7,500	1,575,668	-	-	3,700	1,760,674	1,714,503
Province of B.C.	12,591,277	7,554,370	(209,315)	-	230,799	-	-	5,713,443	227,002	26,107,575	3,328,371
BC Hydro	11,449	661,862	-	-	-	-	-	-	29,997	703,308	1,819,637
Rental income	282,586	-	-	-	200	-	482,506	-	-	765,292	730,183
Interest	1,264,211	-	-	-	-	-	2,991	-	-	1,267,202	802,513
NENAS	-	3,157	10,000	-	-	-	-	-	-	13,157	34,424
Oil and gas commissions	355,807	716,253	-	-	-	-	-	-	-	1,072,060	1,005,800
Other	(709,296)	22,880,124	413,341	-	(15,019)	822,084	58,609	295,404	1,908,634	25,653,881	11,506,678
GBE income	-	663,804	-	(427,283)	-	-	-	-	-	236,521	3,245,966
	14,822,920	32,688,835	3,160,673	(427,283)	2,013,204	2,478,207	2,134,598	6,767,606	2,169,333	65,808,093	33,193,197
Expenditures											
Amortization	55,350	177,336	-	-	6,730	12,032	394,250	744,624	-	1,390,322	1,372,569
Capital expenditures	142,811	308,984	93,114	-	6,565	17,417	444,370	8,566,666	12,395	9,592,322	1,093,348
Direct assistance	6,329,705	144,652	715,414	-	681,593	232,848	(15,231)	5,862	326,929	8,421,772	1,808,238
Materials, supplies and utilities	477,800	397,809	274,186	-	192,703	157,489	1,490,035	539,797	265,438	3,795,258	4,689,149
Operations and maintenance	2,741,513	668,757	934,310	-	70,943	519,420	277,965	785,524	1,042,859	7,041,292	9,294,516
Salaries, wages and benefits	2,525,225	1,013,764	1,036,508	-	476,749	859,502	158,143	772,931	699,973	7,542,796	3,147,048
Other	-	-	-	-	-	-	-	-	-	-	-
	12,272,404	2,711,303	3,053,533	-	1,435,283	1,798,708	2,749,532	11,415,404	2,347,594	37,783,761	21,404,869
Transfer to capital	142,811	308,984	93,114	-	6,565	17,417	444,370	8,566,666	12,395	9,592,322	1,093,348
Annual Surplus (Deficit)	2,693,328	30,286,516	200,254	(427,283)	584,486	696,916	(170,564)	3,918,868	(165,866)	37,616,654	12,881,676

SAULTEAU FIRST NATIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. This has no impact on previously stated total assets, total liabilities, accumulated surplus and annual surplus, other than described in Note 1.

SAULTEAU FIRST NATIONS
RECOGNITION OF INDIGENOUS RIGHTS AND SELF-DETERMINATION (Schedule 1)
FOR THE YEAR ENDED MARCH 31, 2023
(UNAUDITED)

	2023	2022
REVENUE		
Indigenous Services Canada	\$ 126,648	\$ 68,172
EXPENSES		
Administration expense	12,665	6,817
Consulting fees	17,782	13,573
Honorarium	-	9,000
Legal	26,667	14,530
	57,114	43,920
ANNUAL SURPLUS	\$ 69,534	\$ 24,252