

**Wolf Lake First Nation
Consolidated financial statements**
March 31, 2023

Wolf Lake First Nation

Contents

Year ended March 31, 2023

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Management's Statement of Responsibility

The consolidated financial statements of Wolf Lake First Nation as of March 31, 2023, are the responsibility of management and have been approved by the Chief and Council.

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") prescribed by Indigenous Services Canada and, as such, include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council meet periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditor, MNP LLP, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the consolidated financial statements. The external auditor has full and free access to financial management of Wolf Lake First Nation and meets when required.

On behalf of Wolf Lake First Nation:


Signature and title
for Wolf Lake First Nation

June 12, 2024

Independent Auditor's Report

To the Chief and Council of
Wolf Lake First Nation

Qualified Opinion

We have audited the consolidated financial statements of Wolf Lake First Nation (the "Organization"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, cumulative operating surplus, net investment in capital assets, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the implications of the situations described in section «Basis for Qualified Opinion», the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as at year ended March 31, 2023, and the results of its consolidated operations, consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with the Canadian public sector accounting standards ("PSAS").

Basis for Qualified Opinion

We were not able to observe the counting of the physical inventories of a controlled entity (Anishnabek Outfitting Inc) as of March 31, 2023 and March 31, 2022 or satisfy ourselves concerning those inventory quantities by alternative means. Since opening and ending inventories affect the determination of the controlled entity's results of operations, we were unable to determine whether adjustments to the inventories as of March 31, 2023 and March 31, 2022, to the consolidated surplus (deficit) of the year and to the consolidated cash flows of the Organization might be necessary for year ended March 31, 2023 and March 31, 2022 and to the accumulated surplus as of March 31, 2023, March 31, 2022, April 1, 2021 and April 1, 2022.

The Organization did not consolidate the financial information of the governmental unit Mahingan Development Corporation. As mentioned on Note 3, the investment have been accounted for by the modified equity method, which is a departure to the PSAS. According to the PSAS, this government not-for-profit organization should has been considered as government unit and to be consolidated on the consolidated financial statements. Had this governmental unit been consolidated, many elements in the consolidated financial statements would have been affected. The effects of the non-consolidation on the year ended March 31, 2023 and March 31, 2022 have not been determined but the Organization has provide information in Note 6. Our audit opinion on the consolidated financial statements for the year ended March 31, 2022 was modified because of the effects of this departure from PSAS.

As part of the April 1, 2022 application of CPA Canada Public Sector Accounting Handbook Section PS 3280, "Asset Retirement Obligations", the Organization did not identify and measure its liabilities for asset retirement obligations as at April 1, 2022 and March 31, 2023, which constitutes a departure from Canadian public sector accounting standards. The Organization should have identified the assets or components at risk of an asset retirement obligation liability, estimated and recorded the amount of this liability, and provided disclosures about the obligations. Since the identification, estimation, recognition and disclosure of the obligations have not been performed, we were unable to determine whether any adjustments might be required to the capital assets, liabilities for asset retirement obligations as at March 31, 2023, surplus (deficit) for the year and cash flows from operating activities, as well as to the change in net financial assets debt and disclosures of the obligations for the year ended March 31, 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Organization 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 qualified opinion.

Emphasis of Matter

We draw attention to the fact that the Organization includes, in its consolidated financial statements, certain financial information that is not required by the PSAS. This information, prepared in accordance with the requirements of Indigenous Services Canada ("ISC"), addresses the conciliation to ISC financial reporting requirement on page 1. The Organization also choose to present a consolidated statement of cumulative operating surplus on page 2 and a consolidated statement of net investment in capital assets on page 3. We also draw attention to the fact that no budget are presented. Our qualified opinion is not modified in respect of these matters.

Responsability 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 the PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Organization'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 GAAS 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 GAAS, 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 Organization'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 Organization'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 Organization 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 organization 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.

MNP LLP¹
MNP LLP

Amos (Québec)
June 12, 2024

1 By CPA auditor, public accountancy permit No.A129278

Wolf Lake First Nation
Consolidated statement of operations
Year ended March 31, 2023

	2023	2022
Revenues		
Indigenous Services Canada (ISC) (Note 10)	1,524,471	1,522,349
First Nations Education Council (FNEC)	239,483	24,473
First Nations of Quebec and Labrador Health and Social Services Commission (FNQLHSSC)	104,532	35,556
Health Canada - review letter	-	(17,961)
ISC – Health branch – refundable surplus	(8,916)	(38,000)
First Nations Human Resources Development Commission of Quebec (FNHRDCQ)	180,449	218,633
Public Services and Procurement Canada (PSPC)	-	342,210
Ministère des Forêts, de la Faune et des Parcs	359,000	140,000
Reimbursement of expenses	33,782	2,982
Other revenues	1,089,356	881,249
Secrétariat aux Relations avec les Premières Nations et les Inuit	-	270,162
Green First Forest Products	85,000	85,000
Transport Québec	258,896	275,718
Industry Canada	-	35,490
Deferred revenue from previous year	940,869	484,543
Deferred revenue to following year	(1,445,740)	(940,869)
	3,361,182	3,321,535
Expenses (Note 15)		
Education	373,842	186,795
Human Resources development	222,411	258,228
Health	552,016	729,220
Administration	692,276	528,104
Economic development	1,460,275	1,245,524
Other	132,703	22,146
	3,433,523	2,970,017
Surplus (deficit) before net surplus of investment in controlled entity	(72,341)	351,518
Net surplus (deficit) of investment in controlled entity (Note 6)	(35,881)	152,822
Surplus (deficit) of the year	(108,222)	504,340
Conciliation to ISC financial reporting requirements		
Surplus (deficit) for the year	(108,222)	504,340
Acquisition of capital assets	(93,138)	(115,036)
Surplus (deficit) under ISC financial reporting requirements (1)	(201,360)	389,304

(1) The operating deficit under ISC financial reporting requirements before amortization is \$136,678 (surplus of \$430,533 in 2022).

The accompanying notes are an integral part of the consolidated financial statements.

Wolf Lake First Nation
Consolidated statement of cumulative operating surplus
Year ended March 31, 2023

	2023	2022
Balance at beginning of year	1,219,854	786,571
Surplus (deficit) of the year	(108,222)	504,340
Adjustment to net investment in controlled entity	(47,887)	-
Transfer to net investment in capital assets		
Acquisition of capital assets	(93,138)	(115,036)
Amortization of capital assets	64,682	41,231
Loss on disposal of capital assets	-	2,748
Balance at end of year	1,035,289	1,219,854

The accompanying notes are an integral part of the consolidated financial statements.

Wolf Lake First Nation
Consolidated statement of net investment in capital assets
Year ended March 31, 2023

	2023	2022
Net investment in capital assets at beginning of year	497,452	426,395
Variation of net investment in capital assets		
Plus:		
Acquisition of capital assets	93,138	115,036
	590,590	541,431
Less:		
Loss on disposal of capital assets	-	2,748
Amortization of capital assets	64,682	41,231
	64,682	43,979
Net investment in capital assets at end of year	525,908	497,452

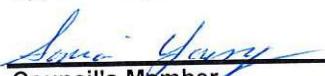
The accompanying notes are an integral part of the consolidated financial statements.

Wolf Lake First Nation
Consolidated statement of financial position
As at March 31, 2023

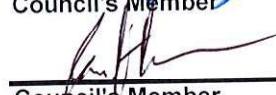
	2023	2022
Financial assets		
Cash	1,452,750	1,254,974
Accounts receivable (Note 3)	1,663,431	1,571,804
Restricted cash (Note 4)	13,084	12,892
Investment in controlled entity (Note 6)	659,899	743,667
	3,789,164	3,583,337
Liabilities		
Accounts payable and accrued liabilities	277,346	428,651
Funding received in advance	84,304	-
Refundable surplus to ISC	46,916	38,000
Deferred revenue	1,445,740	940,869
Net loans - investee company (Note 6)	777,799	813,591
	2,632,105	2,221,111
Net financial assets	1,157,059	1,362,226
Non-financial assets		
Capital assets (Note 5)	525,908	497,452
Inventories	97,384	76,590
Prepaid expenses	1,000	1,000
	624,292	575,042
Accumulated surplus (Note 8)	1,781,351	1,937,268

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the First Nation's Council



 Council's Member



 Council's Member

Wolf Lake First Nation
Consolidated statement of changes in net financial assets
Year ended March 31, 2023

	2023	2022
Surplus (deficit) for the year	(108,222)	504,340
Changes in capital assets		
Acquisition of capital assets	(93,138)	(115,036)
Loss on disposal of capital assets	-	2,748
Amortization of capital assets	64,682	41,231
	(28,456)	(71,057)
Changes in other non-financial assets		
Change in inventories	(20,794)	3,862
Changes in non-operational surpluses and reserves		
Adjustment to net investment in controlled entity	(47,887)	-
Increase in in-trust fund	192	328
Changes in net financial assets	(205,167)	437,473
Net financial assets at beginning of year	1,362,226	924,753
Net financial assets at end of year	1,157,059	1,362,226

The accompanying notes are an integral part of the consolidated financial statements.

Wolf Lake First Nation
Consolidated statement of cash flows
Year ended March 31, 2023

	2023	2022
Operating activities		
Surplus (deficit) for the year	(108,222)	504,340
Items not affecting cash		
Amortization of capital assets	64,682	41,231
Loss on disposal of capital assets	-	2,748
Net deficit (surplus) of investment in controlled entity	35,881	(152,822)
	(7,659)	395,497
Changes in non-cash operating working capital items (Note 9)	334,365	28,611
	326,706	424,108
Investing activities		
Acquisition of capital assets	(93,138)	(115,036)
Increase (decrease) of net loans in investee company	(35,792)	175,775
	(128,930)	60,739
Net increase in cash and cash equivalents	197,776	484,847
Cash and cash equivalents, beginning of year	1,254,974	770,127
Cash and cash equivalents, end of year	1,452,750	1,254,974

See additional information presented in Note 9.

The accompanying notes are an integral part of the consolidated financial statements.

Wolf Lake First Nation
Notes to the consolidated financial statements
March 31, 2023

1. Description of the Organization

Wolf Lake First Nation (the "First Nation") is an unincorporated legal body as defined in the *Indian Act*. A band council is considered a form of local government consisting of a Chief and two or more councillors who are chosen by election or band custom to carry out the functions of government for the First Nation.

2. Accounting policies

Change in accounting policies

PS 3450 - Financial Instruments

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 Financial Instruments. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

PS 3280 - Asset Retirement Obligations

On April 1, 2022, the Public Sector Accounting Board's (PSAB) new recommendations on the recognition, measurement and disclosure of a liability for an asset retirement obligation, under Section PS 3280, Asset Retirement Obligations, came effective. The new standard establishes when to recognize and measure a liability for an asset retirement obligation, and provides related financial statement presentation and disclosure requirements. The First Nation has not adopted this new standard, as it has not identified and measured its liabilities for asset retirement obligations at either April 1, 2022 or March 31, 2023, which is a departure from Canadian public sector standards. The First Nation should have identified the assets or components presenting a risk of liability for asset retirement obligations, estimated and recorded the amount of this liability, and provided information on these obligations.

Significant accounting policies

The consolidated financial statements have been prepared in accordance with the Canadian public sector accounting standards except for Mahingan Development Corporation ("MDC") which is not consolidated.

Principle of consolidation

The consolidated financial statements include the accounts of the First Nation and its subsidiaries, Anishnabek Outfitting Inc. (100% owned) and 2748-6794 Québec Inc. (100% owned).

Investments in controlled entities

Anishnabek Outfitting Inc. and 2748-6794 Québec Inc. are wholly-owned by Wolf Lake First Nation. As at March 31, 2023, the financial information available for the operations of the wholly-owned corporations were taken from their year-end, March 31, 2023. These investments in controlled entities are recorded on the modified equity basis of accounting unless the controlled entities become entirely dependant from a financing point of view from Wolf Lake First Nation. When a controlled entity becomes dependant from a financing point of view, it is consolidated into the financial statements of the First Nation. Anishnabek Outfitting Inc. and 2748-6794 Québec Inc. are dependant from Wolf Lake First Nation. Therefore, they are consolidated.

Mahingan Development Corporation ("MDC") is a governmental unit because it is a government not-for-profit organization. The First Nation consolidated financial statements should consolidate the financial statements of governmental units but this investment have been accounted for by the modified equity method, which is a departure to the PSAS.

Cash and cash equivalents

Cash and cash equivalents include cash, bank overdraft, bank loan and short-term investments with a term to maturity of three months or less at the date of acquisition.

Wolf Lake First Nation
Notes to the consolidated financial statements
March 31, 2023

2. Significant accounting policies (continued)

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first in, first out basis. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale.

Capital assets

Capital assets are accounted at cost. Amortization is calculated using the following method at the following rates:

	Methods	Periods
Buildings	Diminishing balance	5%
Automotive equipment	Diminishing balance	30%
Computer hardware	Diminishing balance	30%
Machinery and equipment	Diminishing balance	20%

Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenues when transfer stipulation give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Other revenues are recognized when persuasive evidence of an arrangement exists, price is fixed or determinable and collection is reasonably assured.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful lives of long-lived assets, the deferred revenue and liabilities under legal contingencies. Actual results could differ from these estimates.

Pension Plan

The cost of the defined pension plan is equal to the pension plan expense. The pension plan is a multiemployer defined benefit pension plan that is accounted for as a defined contribution plan.

Wolf Lake First Nation
Notes to the consolidated financial statements
March 31, 2023

3. Accounts receivable

	2023	2022
Indigenous Services Canada (ISC)	270,991	205,704
First Nations Education Council	-	6,875
FNHRDCQ	630	2,919
FNQLHSSC	106,861	22,931
Public Services and Procurement Canada (PSPC)	169,060	169,060
Other accounts	584,876	352,525
Transports Québec	254,658	275,718
GST, HST and PST receivable	93,099	59,483
Secrétariat aux Relations avec les Premières Nations et les Inuit	183,256	476,589
	1,663,431	1,571,804

4. Restricted cash and deposits

	2023	2022
In-trust fund - Capital and revenues accounts	13,084	12,892

5. Capital assets

	2023	2022		
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>	<i>Net book value</i>
Land	24,610	-	24,610	24,610
Buildings	469,918	161,869	308,048	321,220
Automotive equipment	219,332	105,992	113,340	57,195
Computer hardware	45,396	29,057	16,340	14,965
Machinery and equipment	241,884	178,314	63,570	79,462
	1,001,140	475,232	525,908	497,452

6. Investment in controlled entity

	2023	2022
Mahingan Development Corporation		
Net loans - investee company	(777,799)	(813,591)
Equity pick-up - investee company		
Mahingan Development Corporation	659,899	743,667

Mahingan Development Corporation is wholly-owned by Wolf Lake First Nation. Mahingan Development Corporation was incorporated without share capital and is a non-for-profit entity, exempt from income taxes under Federal and Provincial Income tax acts.

Wolf Lake First Nation
Notes to the consolidated financial statements
March 31, 2023

6. Investment in controlled entity (continued)

Summary financial statements of Mahingan Development Corporation are as follows:

	2023	2022
Balance sheet		
Current assets	32,983	18,327
Due from Wolf Lake First Nation	1,013,490	1,048,600
Capital assets	331,058	356,814
Total assets	1,377,531	1,423,741
Current liabilities	13,287	18,033
Due to Anishnabek Outfitting Inc.	235,009	235,009
Long-term debt	-	5,583
Reserve for future investments	220,829	220,829
Net assets	908,406	944,287
Total liabilities and equity	1,377,531	1,423,741
Revenues and Expenses		
Revenues	-	272,498
Expenses	35,881	119,676
Net surplus (deficit)	(35,881)	152,822

7. Bank loan

The First Nation has an authorized line of credit of \$50,000 bearing interests at prime rate (6.70% as at March 31, 2023) plus 3.00%. The line of credit is renewable in August 2023. As at March 31, 2023, the total remained unused.

8. Accumulated surplus

The Accumulated Operating Surplus as at March 31, 2023 does not take into consideration possible modification following the review and analysis of the present consolidated financial statements by the Indigenous Services Canada (ISC), First Nations Education Council (FNEC), First Nations Human Resources Development Commission of Quebec (FNHRDCQ) and Secrétariat aux Relations avec les Premières Nations et les Inuits (SRPNI). Any adjustments resulting of this analysis will be recorded in the current year as an adjustment to prior year as indicated by ISC, FNEC, FNHRDCQ and SRPNI.

The accumulated surplus of Wolf Lake First Nation is divided among several surpluses and reserves, as detailed below.

	2023	2022
Net investment in capital assets	525,908	497,452
Reserved surplus (In-trust fund)	13,084	12,892
Reserve for future investments	207,070	207,070
Cumulative Operating Surplus	1,035,289	1,219,854
	1,781,351	1,937,268

Wolf Lake First Nation
Notes to the consolidated financial statements
March 31, 2023

9. Additional information relating to the statement of cash flows

Changes in non-cash operating working capital items:

	2023	2022
Accounts receivable	(91,627)	(653,105)
Accounts payable and accrued liabilities	(151,305)	221,528
Funding received in advance	84,304	-
Refundable surplus to ISC	8,916	-
Deferred revenue	504,871	456,326
Inventories	(20,794)	3,862
	334,365	28,611

Cash and cash equivalents

Cash	1,452,750	1,254,974
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10. Reconciliation of funds from ISC and ISC-Health

	2023	2022
Revenues according to the consolidated financial statements		
Fixed Contribution	1,095,297	898,821
Flex Contribution	65,113	165,614
Grant Contribution	125,394	125,383
Set Contribution	38,000	42,000
Other - Crown Indigenous Relations and Northern Affairs Canada	200,667	290,531
Total:	1,524,471	1,522,349
ISC - Indigenous Services Canada	1,238,003	1,152,678
ISC - Health Branch	286,468	369,671
Revenues from ISC	1,524,471	1,522,349

11. Financial instruments

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.

Main risk are on cash, accounts receivables and advances.

The credit risk associated with cash is considered negligible, since the counterparties are financial institutions with a high credit rating assigned by recognized rating agencies.

The First Nation provides credit to its tenants in the normal course of its operations and advances to controlled entities and maintain provisions for potential depreciation of these financial assets.

Wolf Lake First Nation
Notes to the consolidated financial statements
March 31, 2023

11. Financial instruments (continued)

Fair value of financial assets and liabilities

The fair value represents approximately the amounts of the financial instruments that would be exchanged between the consenting parties, according to the current market value of instruments which the risk, capital and duration are the same. Certain estimates and decisions were required to arrive at the fair value of financial instruments which was based upon actualization and other evaluation methods which depend largely on hypothesis of estimated cash flows and the actualization rate depending on different degrees of risk.

The fair value of cash, accounts receivable, restricted cash, accounts payable and accrued liabilities is approximately equal to their carrying value due to their short-term maturity date.

Liquidity risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset.

The First Nation is exposed to that risk mainly on account payable and accrued items and employee benefits plan.

The First Nation manages this risk by taking into account its operational needs and by using its credits facilities. The First Nation establishes cash flow forecasts to ensure that it has the necessary funds to meet its obligation.

12. Related parties transactions

No transfers expenses (\$275,718 in 2022) paid during the year to Mahingan Development Corporation. No other revenues include management fees billed to Mahingan Development Corporation this year (\$10,880 in 2022).

These transactions were made in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

13. Pension plan

The Band supports the contributory defined benefit pension plan for substantially all of its employees. It is a multiemployer plan that is administered by the Native Benefits Plan. The pension for native employees is from 6.25% to 8.50% of the gross salary and the employer contributes 1.82 times the employee's contribution. For the current fiscal year, the pension expenses amounted to \$37,080 (\$21,485 in 2022).

14. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

Wolf Lake First Nation
Notes to the consolidated financial statements
March 31, 2023

15. Expenses by object

	2023	2022
Salaries and fringe benefits	958,547	633,315
Administration fees	277,259	225,479
Advertising and promotion	8,048	8,748
Amortization of capital assets	64,682	41,231
Bad debt expenses	16,607	-
Dues, subscription and registration	30,314	20,941
Energy	23,284	21,758
Insurances	16,021	14,003
Interest and bank charges	15,439	12,166
Loss on disposal of capital assets	-	2,748
Maintenance	109,090	58,351
Material and supplies	330,314	310,543
Professional fees/Honoraria/Casual labour	964,583	836,286
Rental of equipment	156,707	105,794
School books	6,192	3,957
Special COVID-19 allowances	-	85,200
Students' allowances	33,885	35,120
Taxes	3,680	30,277
Telecommunications	33,553	55,421
Training	20,157	11,931
Transfers to Mahingan Development Corporation	-	275,718
Travel and food	292,941	148,793
Tuitions fees	72,220	32,237
	3,433,523	2,970,017

Wolf Lake First Nation
Notes to the consolidated financial statements
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16. Segment disclosure

	Education		Human resources development	
	2023	2022	2023	2022
Revenues				
Federal government transfers	573,432	191,514	212,482	254,123
Other revenues	(195,741)	(4,719)	9,929	21,733
	377,691	186,795	222,411	275,856
Expenses				
Salaries and fringe benefits	40,444	12,505	210,371	195,515
Other expenses	333,398	174,290	12,040	62,713
	373,842	186,795	222,411	258,228
	3,849	-	-	17,628
	Health		Administration	
	2023	2022	2023	2022
Revenues				
Federal government transfers	544,984	534,859	741,154	749,699
Other revenues	88,489	181,720	(47,320)	(94,016)
	633,473	716,579	693,834	655,683
Expenses				
Salaries and fringe benefits	159,940	113,920	185,113	160,017
Other expenses	392,076	615,300	507,163	368,088
	552,016	729,220	692,276	528,105
	81,457	(12,641)	1,558	127,578

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16. Segment disclosure (continued)

	Economic development		Other	
	2023	2022	2023	2022
Revenues				
Federal government transfers	6,035	392,555	-	-
Provincial governments transfers	617,896	685,880	-	-
Other revenues	720,091	408,187	89,751	-
	1,344,022	1,486,622	89,751	-
Expenses				
Salaries and fringe benefits	362,678	151,359	-	-
Amortization	21,729	19,085	42,952	22,146
Other expenses	1,075,868	1,075,081	89,751	-
	1,460,275	1,245,525	132,703	22,146
	(116,253)	241,097	(42,952)	(22,146)
Total				
	2023	2022		
Revenues				
Federal government transfers	2,078,087	2,122,750		
Provincial governments transfers	617,896	685,880		
Other revenues	665,199	512,905		
	3,361,182	3,321,535		
Expenses				
Salaries and fringe benefits	958,546	633,315		
Amortization	64,681	41,231		
Other expenses	2,410,296	2,295,471		
	3,433,523	2,970,017		
Annual surplus (deficit)	(72,341)	351,518		
Net surplus (deficit) of investment in controlled entity	(35,881)	152,822		
Surplus (deficit) for the year	(108,222)	504,340		

The transactions with the subsidiaries have been eliminated for the purpose of the segment disclosure.