

Thunderchild First Nation
Consolidated Financial Statements
March 31, 2022

Thunderchild First Nation

Contents

For the year ended March 31, 2022

	Page
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Debt.....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements	5
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	16
Schedule 2 - Consolidated Schedule of Consolidated Expenses by Object.....	18
Schedule 3 - Schedule of Revenue and Expenses and Surplus (Deficit) - Band Government.....	19
Schedule 4 - Schedule of Revenue and Expenses and Surplus (Deficit) - Capital.....	20
Schedule 5 - Schedule of Revenue and Expenses and Surplus (Deficit) - Community Infrastructure.....	21
Schedule 6 - Schedule of Revenue and Expenses and Surplus (Deficit) - Economic Development.....	22
Schedule 7 - Schedule of Revenue and Expenses and Surplus (Deficit) - Education.....	23
Schedule 8 - Schedule of Revenue and Expenses and Surplus (Deficit) - Health.....	24
Schedule 9 - Schedule of Revenue and Expenses and Surplus (Deficit) - Ottawa Trust Funds.....	25
Schedule 10 - Schedule of Revenue and Expenses and Surplus (Deficit) - Project Revenue.....	26
Schedule 11 - Schedule of Revenue and Expenses and Surplus (Deficit) - Reserves and Trusts.....	27

Independent Auditor's Report

To the Members of Thunderchild First Nation:

Qualified Opinion

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

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and the results of its consolidated operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We were not able to obtain sufficient appropriate audit evidence for the existence and completeness of accounts payable, accounts receivable, and related party transactions relating to the investment in First Nation partnerships and business entities, which is accounted for in the consolidated financial statements using the modified equity method. As such we are unable to determine if adjustments may be necessary for the Investment in First Nation partnerships and business entities or the Loss from investment in Nation business entities and related impacts on Surplus (deficit) and Accumulated surplus.

Canadian public sector accounting standards require the presentation of budget information for comparison to the First Nation's revenues and expenditures. The consolidated budgeted revenues and expenditures and surplus (deficit) have not been reported in these consolidated financial statements. The effect of this departure from generally accepted accounting principles is a disclosure omission that has no effect on reported revenues, expenditures and annual surplus for the year ended March 31, 2022.

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

Responsibilities of Management and Chief and Council for the Consolidated Financial Statements

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

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Chief and Council are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Prince Albert, Saskatchewan

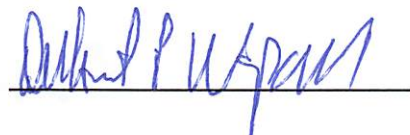
September 15, 2025

MNP LLP
Chartered Professional Accountants

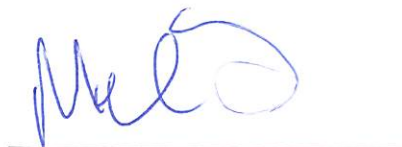
Thunderchild First Nation
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Cash resources		
Cash resources	8,253,283	5,722,361
Accounts receivable (Note 3)	1,341,863	1,157,367
Member advances (Note 4)	197,977	333,623
Restricted cash - short-term (Note 5)	2,817,574	2,467,510
Subtotal of current assets	12,610,697	9,680,861
Investments in First Nation partnerships and business entities (Note 6)	29,202,716	29,568,023
Funds held in trust (Note 7)	497,501	1,150,207
Investment in Co-op	77,149	75,123
Restricted cash - long-term (Note 8)	2,278,362	2,339,261
Notes receivable Piyesiw Awasis Trust (Note 9)	19,877,924	19,877,924
Total financial assets	64,544,349	62,691,399
Liabilities		
Current		
Bank indebtedness (Note 10)	62,499	138,963
Accounts payable and accruals	3,107,564	3,137,953
Deferred revenue (Note 11)	14,581,643	3,263,479
Current portion of long-term debt (Note 12)	904,323	889,794
Subtotal of current liabilities	18,656,029	7,430,189
Long-term debt (Note 12)	29,104,860	29,116,895
Deferred revenue (Note 13)	77,769	167,089
Notes payable to Thunderchild 1908 Surrender Trust (Note 14)	39,534,265	39,534,265
Total financial liabilities	87,372,923	76,248,438
Net debt	(22,828,574)	(13,557,039)
Subsequent events (Note 15)		
Guarantees (Note 6)		
Non-financial assets		
Tangible capital assets	71,349,829	60,574,350
Accumulated surplus (Note 16)	48,521,255	47,017,311

Approved on behalf of the Chief and Council



Chief



Councillor

Thunderchild First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2022

	<i>Schedules</i>	2022 Actual	2021 Actual
Revenue			
Federal Government funding			
Indigenous Services Canada (Note 20)		14,054,196	13,503,826
Indigenous Services Canada - FNIH (Note 20)		2,627,865	4,688,079
Canada Mortgage and Housing Corporation		191,931	196,149
Recovered ISC - FNIH funding		-	(434,928)
Recovered ISC funding		(19,898)	-
		16,854,094	17,953,126
Other Revenue		12,374,622	1,242,618
Saskatchewan Indian Institute of Technologies		656,783	372,732
First Nations Trust		486,341	618,459
Contribution from Thunderchild 1908 Surrender/Piyeesiw Awasis Trusts (Note 19)		390,798	5,075,132
Land lease revenue		371,120	438,158
Aboriginal headstart		347,445	376,163
Oil and gas		147,528	46,030
User fees		105,679	-
Interest income		57,790	18,557
Rental income		5,313	14,158
Battlefords Agency Tribal Chiefs Community Development		-	359,100
Loss from investment in Nation business entities (Note 6)		(1,185,893)	(6,458,591)
		30,611,620	20,055,642
Program expenses			
Band Government	3	6,022,564	2,248,364
Capital Projects	4	2,846,033	2,045,389
Community Infrastructure	5	4,240,928	1,616,215
Economic Development	6	17,509	1,779,010
Education	7	6,599,501	6,794,443
Health	8	4,490,308	4,996,461
Project Revenue	10	2,496,326	2,892,697
Social Development	11	2,394,507	2,694,397
		29,107,676	25,066,976
Surplus (deficit)		1,503,944	(5,011,334)
Accumulated surplus, beginning of year		47,017,311	52,028,645
Accumulated surplus, end of year (Note 16)		48,521,255	47,017,311

The accompanying notes are an integral part of these financial statements

Thunderchild First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2022

	2022 <i>Actual</i>	2021 <i>Actual</i>
Annual surplus (deficit)	1,503,944	(5,011,334)
Purchases of tangible capital assets	(12,812,465)	(3,812,345)
Amortization of tangible capital assets	2,036,986	1,768,733
(Increase) decrease in net debt	(9,271,535)	(7,054,946)
Net debt, beginning of year	(13,557,039)	(6,502,093)
Net debt, end of year	(22,828,574)	(13,557,039)

The accompanying notes are an integral part of these financial statements

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

	2022 Actual	2021 Actual
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	1,503,944	(5,011,334)
Non-cash items		
Amortization	2,036,986	1,768,733
Loss from investment in Nation business entities	1,185,893	6,458,591
	4,726,823	3,215,990
Accounts receivable	(184,496)	94,627
Member advances	135,646	(29,578)
Accounts payable and accruals	(30,389)	(551,950)
Deferred revenue	11,318,164	855,817
Deferred revenue - long term	(89,320)	(82,120)
	15,876,428	3,502,786
Financing activities		
Advances of long-term debt	920,732	-
Repayment of long-term debt	(918,238)	(682,136)
Increase (decrease) in bank indebtedness	(76,464)	(45,522)
Note payable	-	39,534,265
	(73,970)	38,806,607
Capital activities		
Purchases of tangible capital assets	(12,812,465)	(3,812,345)
Investing activities		
Increase in investment in Co-op	(2,026)	-
Investments in First Nation partnerships and business entities (net)	(820,586)	(11,122,435)
Net change of restricted cash - short term	(350,064)	(2,229,494)
Net change of restricted cash and deposits - long term	60,899	59,187
net change of funds held in trust	652,706	(495,107)
Note receivable	-	(19,877,924)
	(459,071)	(33,665,773)
Increase in cash resources	2,530,922	4,831,275
Cash resources, beginning of year	5,722,361	891,086
Cash resources, end of year	8,253,283	5,722,361
Supplementary cash flow information		
Interest paid	985,764	1,196,075

The accompanying notes are an integral part of these financial statements

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

1. Operations

The Thunderchild First Nation (the "First Nation") is located in the province of Saskatchewan, and provides various services to its members. The Thunderchild First Nation financial reporting entity includes all related entities which are accountable to the First Nation and are controlled by the First Nation.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity

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

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

- Thunderchild CMHC Housing;
- Thunder Oil Ltd.;
- Thunderchild First Nation Gas & Convenience Store;
- Moonlight Bay Gas and Convenience Store (inactive);

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

The Thunderchild 1908 Surrender Trust, Piyesiw Awasis Trust, and Thunderchild Treaty Land Entitlement Trust are not included in the consolidated financial statements as these entities are administered and controlled by trustees.

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

- Thunder Development Limited Partnership; and,
- Thunder Development Inc.
- TFN Investment Corp.

Basis of presentation

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

Cash resources

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

Portfolio investments

Long-term investments in entities that are not controlled or jointly controlled by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada. Trust moneys consist of:

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

Revenues from Trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Asset classification

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

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Buildings and leasehold improvements	straight-line	25-40 years
CMHC housing	straight-line	40 years
Band housing	straight-line	40 years
Computer hardware and software	straight-line	4 years
Vehicles and equipment	straight-line	5-10 years
Water and sewer	straight-line	40 years

Net financial assets (net debt)

The First Nation's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities.

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

Revenue recognition

Non-government Funding

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

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received in either the Band Capital or Band Revenue account.

Other revenues

Lease revenue is recognized over the lease term. Other revenues are earned from other services provided by the First Nation and are recognized when the service has been provided.

Revenues from gross overriding royalties on interests in natural gas and petroleum properties is recognized when it is measurable, earned and collection is reasonably assured.

Revenues from retail sales are recognized upon completion of the sale transaction and is earned, measurable, and collection is reasonably assured.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Member advances are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Note receivable is stated after evaluation as to its collectibility and an appropriate allowance for doubtful account is provided where considered necessary.

Investment impairments are based on the net recoverable value of the investment.

Amortization is based on the estimated useful lives of tangible capital assets.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

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

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

Liability for contaminated site

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

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

No provision for contaminated sites has been reported in these consolidated financial statements.

Segments

The First Nation conducts its business through nine reportable segments: Band Government, Capital, Community Infrastructure, Economic Development, Education, Health, Ottawa Trust Funds, Project Revenue, and Social Development. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements. Inter-segment transfers are recorded at their exchange amount.

3. Accounts receivable

	2022	2021
Indigenous Services Canada	669,714	-
Other	340,994	213,654
Federation of Sovereign Indigenous Nations	292,945	-
Saskatchewan Indian Institute of Technology	14,318	-
Canada Mortgage and Housing Corporation	15,461	16,101
Goods and Services Tax	8,431	8,322
Government of Saskatchewan	-	560,190
Battleford Agency Tribal Chiefs Community Development	-	359,100
	1,341,863	1,157,367

4. Member advances

Advances to members are unsecured, non-interest bearing and due on demand.

	2022	2021
Member advances and loans	1,238,606	1,534,036
Allowance for doubtful accounts	(1,040,629)	(1,200,413)
	197,977	333,623

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

5. Restricted cash - Short-term

Restricted cash consists of CMHC operating funds and funds managed by capital project managers who are responsible for payment of expenses relating to capital project funding by ISC.

6. Investments in First Nation partnerships and business entities

The First Nation has investments in the following entities:

	<i>Investment, start of year</i>	<i>Contributions (net)</i>	<i>Share of earnings (loss)</i>	<i>Asset impairment</i>	<i>2022 Investment, end of year</i>
Nation business entity:					
Thunder Development Ltd. - 100%	100	-	-	-	100
First Nation Business Partnerships – Modified Equity:					
Thunder Developments Limited Partnership - 99%	29,568,023	820,586	(1,185,893)	-	29,202,716

The First Nation's investment in Thunder Developments Limited Partnership and its general partner, Thunder Developments Ltd. was established for the purposes of operating and overseeing the business and economic enterprises of the Thunderchild First Nation.

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

	<i>Thunder Developments LP As at December 31, 2021</i>
Assets	
Cash	871,718
Accounts receivable	1,546,410
Inventory	862,475
Prepaid	736,588
Due from related party	875,227
Investments	12,560,000
Property, plant and equipment	15,039,781
Total assets	32,492,199
Liabilities	
Accounts payable	559,031
Due to related party	8,308,781
Long-term debt	9,311,850
Total liabilities	18,179,662
Share of earnings	(1,185,893)
Partners capital	15,498,430
Total liabilities and partners capital	32,492,199
Total revenue	11,980,790
Total expenses	13,166,683
Net loss	(1,185,893)

Thunderchild First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

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

The First Nation has guaranteed the following debt on behalf of its First Nation business enterprise:

Thunder Developments Limited Partnership has the following long-term debt which the First Nation has issued a guarantee for repayment:

- TFN Investment Corp. has a long-term debt due to Bridging Finance Inc. of \$ 292,181 (2020 – \$1,111,205) payable in interest only payments at Bank of Montreal prime plus 12%, due immediately. The First Nation has paid \$819,025 during the year. Bridge Financing has declared bankruptcy and is claiming \$3,076,008 as the amount outstanding as of March 31, 2022. The Nation disputes this amount and is pursuing a legal claim against Bridge Financing. As the outcome of the matter is uncertain no further accrual has been recorded in these financial statements.

7. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	2022	2021
Capital Trust		
Balance, beginning of year	116,327	70,297
Royalties	63,093	46,030
Balance, end of year	179,420	116,327
Revenue Trust		
Balance, beginning of year	1,033,880	584,803
Interest	26,174	10,919
Land leases	308,027	438,158
	1,368,081	1,033,880
Less: Transfers to Nation	1,050,000	-
Balance, end of year	318,081	1,033,880
	497,501	1,150,207

8. Restricted cash - long-term

Thunderchild First Nation is required under agreement with CMHC to set aside funds to finance future qualifying housing expenditures. These funds are externally restricted and invested in guaranteed investment certificates \$641,526 (2021 - \$637,698). Restricted cash also consists of funds for Per Capita payments as prescribed by the Thunderchild 1908 Surrender Trust Agreement for members who have turned 18 during the year in the amount of \$11,428 (2021 - \$100,734).

The First Nation Finance Authority ("FNFA") holds a 5% deposit on loans issued to the Nation of \$1,625,408 (2021 - \$1,600,829).

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

9. Notes receivable from Piyesiw Awasis Trust

	2022	2021
Promissory note #1 (0.5% interest calculated daily due August 31, 2021)	2,000,000	2,000,000
Promissory note #2 (0.5% interest calculated daily due on demand)	12,132,983	12,132,983
Promissory note #3 (0.5% interest calculated daily due on demand)	5,744,941	5,744,941
	19,877,924	19,877,924

10. Bank indebtedness

At March 31, 2022 the First Nation has lines of credit available up to \$730,000 (2021 - \$730,000), of which \$62,499 (2021 - \$138,963) was drawn. Lines of credit are secured by band council resolutions assigning revenues. Bank indebtedness represents cash on deposit less outstanding cheque's.

	2022	2021
RBC line of credit \$230,000 available at prime plus 1% interest		138,963
First Nations Bank of Canada \$500,000 available at prime plus 0.75% interest	-	-

11. Deferred revenue - current

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year Actual</i>	<i>Contributions received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
ISC - Roads Project	101,483	-	101,483	-
ISC - Backup well	-	215,000	35,462	179,538
ISC - Turtle Lake Waste Pond	238,576	-	-	238,576
ISC - Lagoon	-	250,000	39,443	210,557
ISC - Renovations	-	1,000,000	-	1,000,000
ISC - School Mechanical Project	484,105	1,500,000	82,997	1,901,108
ISC - Water treatment plant feasibility	-	50,000	21,297	28,703
ISC - Community Infrastructure	-	4,705,818	1,730,287	2,975,531
ISC - Education	80,233	4,730,678	3,960,332	850,579
ISC - Health	334,318	3,243,893	939,511	2,638,700
ISC - Social Development	721,582	3,357,432	2,414,405	1,664,609
SITAG	42,250	409,789	352,622	99,417
Husky Wellness Centre Funding	1,260,932	13,030,550	11,497,157	2,794,325
	3,263,479	32,493,160	21,174,996	14,581,643

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

12. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on-reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

<i>CMHC Phase</i>	<i>Monthly Payment Including Interest</i>	<i>Interest Rate</i>	<i>Renewal Date</i>	2022	2021
I	-	-	-	-	-
IV	1,873	0.65%	1-Feb-25	64,925	86,904
V	980	1.88%	1-Jan-27	54,308	126,825
VI	1,928	2.04%	1-Jan-23	125,468	145,834
VII	1,092	2.21%	1-Feb-24	81,140	92,320
VIII	1,475	0.67%	1-Aug-25	59,761	76,996
IX	4,217	0.96%	1-Mar-26	412,904	459,306
X	5,181	2.14%	1-Mar-24	657,881	705,487
XI	-	-	-	1,557,006	636,275
				3,013,393	2,329,947
First Nations Finance Authority - Bond Series debt bearing interest at rates of 3.41% and 3.65%, repayable in monthly blended principal and interest payments of \$93,106 due for renewal June 1, 2028; fuel and confectionary sales, Thunderchild 1908 Surrender Trust, oil and gas royalties, and First Nations Trust revenues are pledged as security				26,995,790	27,676,742
				30,009,183	30,006,689
Less: current portion				904,323	889,794
				29,104,860	29,116,895

Principal repayments on long-term debt in each of the next five years, assuming loans are renewed at similar rates and terms, are estimated as follows:

2023	904,323
2024	932,333
2025	959,362
2026	958,260
2027	979,645

13. Deferred revenue - long-term

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
1908 Surrender Trust - Per Capita Distribution	156,651	-	89,320	67,331
1908 Surrender Trust - Band Capital	10,438	-	-	10,438
	167,089	-	89,320	77,769

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

14. Notes payable to Thunderchild 1908 Surrender Trust

	2022	2021
Promissory note #1 (0.5% interest calculated daily due August 31, 2021)	2,000,000	2,000,000
Promissory note #2 (0.5% interest calculated daily due on demand)	32,231,925	32,231,925
Promissory note #3 (0.5% interest calculated daily due on demand)	5,302,340	5,302,340
	39,534,265	39,534,265

15. Subsequent events

Subsequent to year end in June 2022, the First Nation received \$2,129,903 from the Government of Canada as compensation under the Treaty Annuities Settlement.

The First Nation through Thunderchild Business Developments Limited Partnership has purchased cattle and equipment totaling approximately \$3,800,000 with closing date of June 2022.

Subsequent to year end in December 2024 the First Nation received \$155,400,000 from the Government of Canada as compensation under the Thunderchild First Nation Treaty 6 Agricultural Benefits Settlement Agreement.

16. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Equity in Ottawa Trust Funds		
Balance, beginning of year	1,150,207	655,100
Royalties, interest and land lease revenue	397,294	495,107
Withdrawals	(1,050,000)	-
	497,501	1,150,207
Equity in CMHC reserves		
Balance, beginning of year	518,300	537,978
Reserve allocation	62,781	60,397
Interest	3,826	7,561
Withdrawals	(55,882)	(87,636)
	529,025	518,300
Equity in tangible capital assets		
Balance, beginning of year	58,244,403	56,180,355
Acquisition of tangible capital assets	12,812,465	3,812,345
Advances of long-term debt	(920,732)	(206,107)
Repayment of long-term debt	237,286	226,543
Amortization	(2,036,986)	(1,768,733)
	68,336,436	58,244,403

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

16. Accumulated surplus *(Continued from previous page)*

	2022	2021
Equity in investments in First Nation partnerships and business entities		
Balance, beginning of year	1,891,281	(4,153,781)
Contributions (net)	820,586	11,877,068
Loan repayments	680,952	626,885
Loss on investments in First Nation partnerships and business entities	(1,185,893)	(1,018,891)
Decibel Cannabis share valuation adjustment	-	(5,440,000)
	2,206,926	1,891,281
Movable capital asset reserve & Notes Receivable		
Balance, beginning and end of year	(19,641,937)	14,404
Note receivable from Piyewasew Awasis Trust	-	19,877,924
Note payable Thunderchild 1908 Surrender Trust	-	(39,534,265)
	(19,641,937)	(19,641,937)
Unrestricted deficit		
Balance, beginning of year	4,855,053	(1,205,414)
Transfer from equity in Ottawa Trust Funds	652,706	(495,107)
Transfer from (to) equity in CMHC reserves	(10,721)	19,678
Transfer from (to) equity in tangible capital assets	(10,092,033)	(2,064,048)
Transfer from (to) equity in investments in First Nation partnerships and business entities	(315,645)	(6,045,062)
Transfer from (to) Notes receivable	-	19,656,341
Annual surplus	1,503,944	(5,011,335)
	(3,406,696)	4,855,053
	48,521,255	47,017,307

The First Nation did not receive funding or incur expenses in relation to its movable capital asset reserve in the current year.

17. Equity in CMHC Reserves

Operating Reserve

The First Nations' CMHC Housing Program receives funding pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this Program. The operating reserve is fully funded at March 31, 2022 (2021 - fully funded).

Replacement Reserve

As required as part of the First Nation's CMHC Housing Program, a replacement reserve has been established for replacement of capital equipment and for major repairs to the houses. At March 31, 2022, \$529,025 \$ (2020 - \$518,300) is required to be on deposit to fund this reserve. The unfunded portion at March 31, 2022 is \$nil (2021 - \$nil).

18. Economic dependence

Thunderchild First Nation receives a portion of its revenues from the Government of Canada as a result of Treaties entered into with the Government of Canada. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

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

19. Other economic interest transactions

In the prior year, the First Nation received contributions from the following related entities. These amounts are recorded in accordance with the terms of the applicable Trust Agreements.

	2022	2021
Contribution revenue from Thunderchild 1908 Surrender Trust/ Piyesiw Awasis Trust related by similar membership	390,798	5,075,132

20. Indigenous Services Canada Reconciliation

ISC Funding	<u>26,409,666</u>
Less:	
ISC Funding for Health Programs	(4,732,306)
ISC Programming received, deferred to future year	(9,249,143)
ISC programming revenue recognized, deferred from prior year	<u>1,625,979</u>
Total funding per consolidated financial statements	<u>14,054,196</u>

21. Segments

The First Nation has nine reportable segments. these segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Band Government - includes the administration and governance of the First Nation.

Capital - reports on capital projects.

Community Infrastructure - includes activities for the maintenance of the community and its infrastructure.

Economic Development - reports on the First Nation's economic development activities.

Education - includes the operations of the Education programs.

Health - includes activities pertaining to the health and well being of its members.

Ottawa Trust Funds - reports revenues allocated to the fund and transfers to other segments.

Project Revenue - other programs not funded by government agencies.

Social Development - activities include delivering social programs.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

22. Comparative figures

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

Thunderchild First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2022

	<i>Buildings</i>	<i>CMHC Housing</i>	<i>Band Housing</i>	<i>Land and Land Improvements</i>	<i>Computer Hardware and Software</i>	<i>Vehicles and Equipment</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	20,350,434	7,215,213	14,524,503	19,522,376	807,844	8,927,298	71,347,668
Acquisition of tangible capital assets	242,625	72,520	-	-	-	621,132	936,277
Balance, end of year	20,593,059	7,287,733	14,524,503	19,522,376	807,844	9,548,430	72,283,945
Accumulated amortization							
Balance, beginning of year	8,682,333	2,512,952	6,906,783	-	744,888	6,712,441	25,559,397
Annual amortization	509,514	195,718	359,221	-	13,129	666,196	1,743,778
Balance, end of year	9,191,847	2,708,670	7,266,004	-	758,017	7,378,637	27,303,175
Net book value of tangible capital assets	11,401,212	4,579,063	7,258,499	19,522,376	49,827	2,169,793	44,980,770
2021 Net book value of tangible capital assets	11,668,101	4,702,261	7,617,720	19,522,376	62,956	2,214,857	45,788,271

Thunderchild First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2022

	<i>Subtotal</i>	<i>Water, Sewer, and infrastructure</i>	<i>Assets Under Construction</i>	<i>2022</i>	<i>2021</i>
Cost					
Balance, beginning of year	71,347,668	11,603,010	6,010,795	88,961,473	85,149,129
Acquisition of tangible capital assets	936,277	125,319	11,750,869	12,812,465	3,812,344
Balance, end of year	72,283,945	11,728,329	17,761,664	101,773,938	88,961,473
Accumulated amortization					
Balance, beginning of year	25,559,397	2,827,726	-	28,387,123	26,618,391
Annual amortization	1,743,778	293,208	-	2,036,986	1,768,732
Balance, end of year	27,303,175	3,120,934	-	30,424,109	28,387,123
Net book value of tangible capital assets	44,980,770	8,607,395	17,761,664	71,349,829	60,574,350
2021 Net book value of tangible capital assets	45,788,271	8,775,284	6,010,795	60,574,350	

Thunderchild First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2022

	2022 <i>Actual</i>	2021 <i>Actual</i>
Consolidated expenses by object		
Salaries and benefits	6,367,405	6,166,540
Contracted services	2,708,041	2,887,642
Repairs and maintenance	2,077,979	1,203,422
Supplies	2,063,743	1,377,668
Amortization	2,036,986	1,768,733
Basic needs	1,992,126	1,930,794
Community events	1,821,676	184,383
Travel	1,080,077	876,382
Per capita distributions	1,015,203	643,995
Member assistance	993,132	586,490
Interest on long-term debt	985,764	1,196,075
Utilities	900,397	236,560
Honouraria	854,377	690,518
Student expenses	724,302	775,659
Advertising, promotion, and prevention	687,225	372,678
Professional fees	659,723	863,871
Tuition	527,481	392,946
Insurance	349,200	294,686
Automotive	331,383	138,328
Bank charges and interest	210,663	152,503
Telephone	198,164	144,744
Food and beverage	162,586	64,896
Special needs	157,357	255,813
Training	77,191	9,118
Administration	47,539	16,517
Meeting	46,342	12,400
Rent and leasing costs	31,314	5,919
Board travel costs	300	14,867
Bad debts	-	1,750,000
Program expense	-	52,829
	29,107,676	25,066,976

**Thunderchild First Nation
Band Government**

**Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
(Deficit)**

For the year ended March 31, 2022

	2022 Actual	2021 Actual
Revenue		
Indigenous Services Canada	1,204,579	964,853
Other Revenue	837,626	330,698
Saskatchewan Indian Institute of Technologies	49,500	-
Interest income	26,605	-
Rental income	2,163	34,494
	2,120,473	1,330,045
Expenses		
Salaries and benefits	1,126,562	209,270
Per capita distributions	925,883	561,875
Contracted services	919,500	868,183
Community events	870,651	93,928
Honouraria	854,377	685,559
Member assistance	654,440	205,615
Travel	609,177	392,087
Supplies	553,057	(13,808)
Professional fees	389,191	474,371
Utilities	293,107	7,389
Insurance	274,287	232,693
Telephone	130,734	23,031
Repairs and maintenance	60,461	19,819
Meeting	44,145	8,443
Bank charges and interest	21,617	2,014
Automotive	21,189	1,611
Rent and leasing costs	15,501	-
Training	13,661	-
Food and beverage	9,330	1,871
Board travel costs	300	14,867
Student expenses	-	3,500
Administration	(1,764,606)	(1,543,954)
	6,022,564	2,248,364
Deficit	(3,902,091)	(959,844)

Thunderchild First Nation
Capital Projects

**Schedule 4 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
(Deficit)**

For the year ended March 31, 2022

	2022 <i>Actual</i>	2021 <i>Actual</i>
Revenue		
Indigenous Services Canada	1,110,598	1,177,588
Other Revenue	11,497,157	275,278
Interest income	1,170	-
	12,608,925	1,452,866
Expenses		
Amortization	1,425,459	1,151,064
Repairs and maintenance	684,285	402,947
Contracted services	385,119	170,084
Supplies	216,197	1,000
Administration	83,951	149,858
Utilities	28,736	34,340
Travel	12,453	6,169
Salaries and benefits	9,831	119,927
Training	1,699	-
Telephone	113	-
Automotive	-	15,000
Bank charges and interest	(1,810)	(5,000)
	2,846,033	2,045,389
Surplus (deficit) before other items	9,762,892	(592,523)
Other income (expense)	-	(392,969)
Surplus (deficit)	9,762,892	(985,492)

Thunderchild First Nation
Community Infrastructure
Schedule 5 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
(Deficit)

For the year ended March 31, 2022

	2022 <i>Actual</i>	2021 <i>Actual</i>
Revenue		
Indigenous Services Canada	3,122,616	1,685,160
BATC CDC	-	359,100
	3,122,616	2,044,260
Expenses		
Contracted services	754,919	388,821
Community events	597,917	-
Administration	549,854	153,554
Salaries and benefits	517,210	346,247
Repairs and maintenance	502,517	361,239
Utilities	361,397	89,334
Advertising, promotion, and prevention	318,664	14,969
Supplies	295,908	154,228
Automotive	153,097	33,383
Travel	103,606	14,418
Insurance	37,237	23,189
Professional fees	35,572	26,857
Telephone	5,888	9,976
Training	5,312	-
Food and beverage	1,830	-
	4,240,928	1,616,215
Surplus (deficit) before other items	(1,118,312)	428,045
Other income (expense)	-	(69,000)
Surplus (deficit)	(1,118,312)	359,045

Thunderchild First Nation
Economic Development
Schedule 6 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
(Deficit)

For the year ended March 31, 2022

	2022	2021
	Actual	Actual
Revenue		
Oil and gas	147,528	-
Loss from investment in Nation business entities	(1,185,893)	(6,458,591)
	(1,038,365)	(6,458,591)
Expenses		
Amortization	17,390	29,010
Bank charges and interest	119	-
Bad debts	-	1,750,000
	17,509	1,779,010
Deficit	(1,055,874)	(8,237,601)

Thunderchild First Nation
Education

Schedule 7 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
(Deficit)

For the year ended March 31, 2022

	2022 <i>Actual</i>	2021 <i>Actual</i>
Revenue		
Indigenous Services Canada	5,655,765	5,610,885
Aboriginal headstart	347,445	376,163
Saskatchewan Indian Institute of Technologies	607,283	372,732
Interest income	3,826	7,562
Rental income	3,150	-
Other Revenue	-	16,613
	6,617,469	6,383,955
Expenses		
Salaries and benefits	2,358,089	2,663,578
Student expenses	724,302	772,159
Administration	674,786	584,686
Tuition	527,481	392,946
Amortization	480,487	482,793
Contracted services	390,579	432,053
Supplies	362,575	569,593
Community events	311,828	82,778
Repairs and maintenance	180,381	294,575
Travel	142,875	172,554
Food and beverage	115,816	29,420
Utilities	87,476	54,029
Professional fees	76,981	130,674
Automotive	65,981	33,705
Training	36,995	(900)
Telephone	30,217	31,577
Insurance	16,426	15,394
Rent and leasing costs	12,426	-
Member assistance	3,800	-
Program expense	-	52,829
	6,599,501	6,794,443
Surplus (deficit)	17,968	(410,488)

**Thunderchild First Nation
Health**

**Schedule 8 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
(Deficit)**

For the year ended March 31, 2022

	2022 Actual	2021 Actual
Revenue		
Indigenous Services Canada - FNIH	2,627,865	4,688,079
Indigenous Services Canada	123,613	837,703
Recovered FNIHB funding	-	(434,928)
Other Revenue	32,189	43,478
	2,783,667	5,134,332
Expenses		
Salaries and benefits	2,037,394	2,333,660
Supplies	559,214	622,006
Administration	465,791	573,782
Advertising, promotion, and prevention	368,560	357,710
Member assistance	334,891	380,875
Amortization	113,650	105,866
Utilities	111,328	33,573
Travel	109,307	216,431
Repairs and maintenance	99,172	33,596
Automotive	83,604	51,704
Contracted services	67,726	72,801
Food and beverage	35,609	32,767
Community events	33,080	3,182
Telephone	26,817	76,434
Training	19,524	8,662
Insurance	13,248	19,122
Professional fees	4,187	39,599
Bank charges and interest	3,818	24,817
Rent and leasing costs	3,388	5,917
Meeting	-	3,957
	4,490,308	4,996,461
Surplus (deficit)	(1,706,641)	137,871

**Thunderchild First Nation
Ottawa Trust Funds**

**Schedule 9 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
(Deficit)**

For the year ended March 31, 2022

	2022 Actual	2021 Actual
Revenue		
Land lease revenue	371,120	438,158
Interest income	26,174	10,919
Oil and gas	-	46,030
Surplus	397,294	495,107

Thunderchild First Nation
Project Revenue

Schedule 10 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)

For the year ended March 31, 2022

	2022 <i>Actual</i>	2021 <i>Actual</i>
Revenue		
Indigenous Services Canada	422,620	510,506
Canada Mortgage and Housing Corporation	191,931	196,149
First Nations Trust	486,341	618,459
Contribution from Thunderchild 1908 Surrender Trust	390,798	5,075,132
User fees	105,679	-
Other Revenue	7,650	576,551
Interest income	15	77
Rental income	-	(20,336)
	1,605,034	6,956,538
Expenses		
Interest on long-term debt	985,764	1,196,075
Repairs and maintenance	551,164	91,245
Bank charges and interest	185,171	130,562
Salaries and benefits	167,196	247,118
Professional fees	147,316	93,243
Contracted services	115,394	865,560
Travel	95,670	69,124
Per capita distributions	89,320	82,120
Supplies	75,308	35,692
Administration	37,763	45,550
Utilities	18,353	17,896
Community events	8,200	4,495
Insurance	8,002	4,287
Automotive	7,512	1,908
Meeting	2,197	-
Telephone	1,996	2,026
Food and beverage	-	837
Honouraria	-	4,959
	2,496,326	2,892,697
Surplus (deficit) before other items	(891,292)	4,063,841
Other income (expense)	-	503,494
Surplus (deficit)	(891,292)	4,567,335

Thunderchild First Nation
Social Development
Schedule 11 - Consolidated Schedule of Revenue and Expenses and Accumulated
Surplus (Deficit)

For the year ended March 31, 2022

	2022 <i>Actual</i>	2021 <i>Actual</i>
Revenue		
Indigenous Services Canada	2,414,405	2,717,132
Recovered ISC funding	(19,898)	-
	2,394,507	2,717,132
Expenses		
Basic needs	1,992,126	1,930,794
Special needs	157,357	255,813
Salaries and benefits	151,124	246,740
Contracted services	74,805	90,140
Travel	6,989	5,599
Professional fees	6,476	99,128
Telephone	2,400	1,700
Bank charges and interest	1,747	111
Supplies	1,483	8,957
Training	-	1,356
Automotive	-	1,018
Administration	-	53,041
	2,394,507	2,694,397
Surplus (deficit)	-	22,735