



Financial Statements

Sturgeon Lake TLE Land

Holding Corp.

March 31, 2020

STURGEON LAKE TLE LAND HOLDING CORP.

Index to Financial Statements

Year Ended March 31, 2020

(Unaudited)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Sturgeon Lake TLE Land Holding Corp. 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 Sturgeon Lake TLE Land Holding Corp.'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 Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Executive Committee. The Executive Committee is appointed by the Board 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 Executive Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

Chief

Councilor

Prince Albert, SK
Date: December 1, 2020

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Sturgeon Lake TLE Land Holding Corp.

We have reviewed the accompanying financial statements of Sturgeon Lake TLE Land Holding Corp. which comprise the statement of financial position as at March 31, 2020 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Sturgeon Lake TLE Land Holding Corp. as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

We draw attention to Notes 2 and 8 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2019 has been restated. The financial statements for the year ended March 31, 2019 (prior to the presentation and disclosure adjustments that were applied to restate certain comparative information explained in Note 2 and 8) were reviewed by Cogent CPA LLP who expressed an unmodified conclusion on those financial statements on December 10, 2019. Our conclusions is not modified in respect of this matter. The partners and staff of Cogent Chartered Professional Accountants LLP joined Grant Thornton LLP on November 1, 2019.

Saskatoon, Canada
December 1, 2020



Chartered Professional Accountants

STURGEON LAKE TLE LAND HOLDING CORP.

Statement of Financial Position

March 31, 2020

(Unaudited)

	2020	2019 (Restated - See Note 8)
FINANCIAL ASSETS		
Cash	\$ 202,505	\$ 77,354
Accounts receivable	-	9,856
	<u>202,505</u>	<u>87,210</u>
LIABILITIES		
Accounts payable and accrued liabilities	15,932	15,078
Deposits	3,780	3,780
Due to related parties <i>(Note 6)</i>	6,005	9,381
	<u>25,717</u>	<u>28,239</u>
NET FINANCIAL ASSETS	<u>176,788</u>	<u>58,971</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 4)</i>	3,566,245	3,475,006
Prepaid expenses	8,418	7,675
	<u>3,574,663</u>	<u>3,482,681</u>
ACCUMULATED SURPLUS	<u>\$ 3,751,451</u>	<u>\$ 3,541,652</u>

See notes to financial statements

STURGEON LAKE TLE LAND HOLDING CORP.
Statement of Operations and Accumulated Surplus
Year Ended March 31, 2020
(Unaudited)

	2020	2019 (Restated - See Note 8)
REVENUES		
Leasing income	\$ 206,662	\$ 71,377
Revenues from land transferred from Sturgeon Lake Entitlement Revenue Account	90,847	1,923,948
Reimbursements	125	125
Interest income	-	288
Other revenue	-	1,393
	297,634	1,997,131
EXPENSES		
Property taxes	56,848	17,261
Accounting and legal	12,043	6,735
Insurance	10,223	3,505
Bad debts	3,043	-
Meetings	2,800	39,417
Amortization	1,331	1,164
Travel and accommodation	750	-
Repairs and maintenance	620	11,800
Interest and bank charges	177	519
Office	-	237
	87,835	80,638
ANNUAL SURPLUS	209,799	1,916,493
ACCUMULATED SURPLUS - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	3,528,977	1,620,159
PRIOR PERIOD ADJUSTMENT	12,675	5,000
ACCUMULATED SURPLUS - BEGINNING OF YEAR, AS RESTATED	3,541,652	1,625,159
ACCUMULATED SURPLUS - END OF YEAR	\$ 3,751,451	\$ 3,541,652

See notes to financial statements

STURGEON LAKE TLE LAND HOLDING CORP.

Statement of Changes in Net Financial Assets

Year Ended March 31, 2020

(Unaudited)

	2020	2019 (Restated - See Note 8)
ANNUAL SURPLUS	\$ 209,799	\$ 1,916,493
Amortization of tangible capital assets	1,331	1,164
Additions to tangible capital assets	(92,573)	(1,927,243)
Increase in prepaid expenses	(740)	(7,675)
	(91,982)	(1,933,754)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	117,817	(17,261)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	58,971	76,232
NET FINANCIAL ASSETS - END OF YEAR	\$ 176,788	\$ 58,971

STURGEON LAKE TLE LAND HOLDING CORP.**Statement of Cash Flows**
Year Ended March 31, 2020
(Unaudited)

	2020	2019 (Restated - See Note 8)
OPERATING ACTIVITIES		
Annual Surplus	\$ 209,799	\$ 1,916,493
Item not affecting cash:		
Amortization	<u>1,331</u>	1,164
	<u>211,130</u>	<u>1,917,657</u>
Changes in non-cash working capital:		
Accounts receivable	9,856	15,187
Accounts payable and accrued liabilities	854	10,929
Deposits	-	3,780
Prepaid expenses	<u>(740)</u>	<u>(7,675)</u>
	<u>9,970</u>	<u>22,221</u>
Cash flow from operating activities	<u>221,100</u>	<u>1,939,878</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(92,573)</u>	<u>(1,927,243)</u>
Cash flow used by investing activity	<u>(92,573)</u>	<u>(1,927,243)</u>
FINANCING ACTIVITY		
Due from related party	<u>(3,376)</u>	9,381
Cash flow from (used by) financing activity	<u>(3,376)</u>	9,381
INCREASE IN CASH FLOW	125,151	22,016
Cash - beginning of year	<u>77,354</u>	55,338
CASH - END OF YEAR	<u>\$ 202,505</u>	<u>\$ 77,354</u>

See notes to financial statements

STURGEON LAKE TLE LAND HOLDING CORP.

Notes to Financial Statements

Year Ended March 31, 2020

(Unaudited)

1. PURPOSE OF THE CORPORATION

Sturgeon Lake TLE Land Holding Corp. (the "corporation") is a not-for-profit organization incorporated provincially under the Non-profit Corporations Act of Saskatchewan. The corporation is a registered not for profit organization and is exempt from the payment of income taxes under the Income Tax Act.

The corporation operates to hold lands on behalf of Sturgeon Lake First Nation until such time that the lands reach reserve lands status.

2. RESTATED COMPARATIVE INFORMATION

These financial statements are the first financial statements for which the Corporation has applied Canadian public sector accounting standards (PSAS). The financial statements for the year ended March 31, 2020, including comparative period figures presented for March 31, 2019, are prepared in accordance with PSAS.

In fiscal years preceding March 31, 2019, the Corporation prepared its financial statements under Canadian accounting standards for not-for-profit organizations (ASNPO). During the year ended March 31, 2020, management determined that the Corporation should be categorized as a public sector entity rather than a not-for-profit. Accordingly, the Corporation is required to prepare its financial statements under PSAS rather than ASNPO.

There were adjustments made to the March 31, 2019 comparative figures as a result of the above transition. See note 8 for further descriptions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trust are prepared by management in accordance with the Canadian public sector accounting standards established by the Public Sector Accounting Board of the Accounting Standards Oversight Council. Significant aspects of the accounting policies are as follows:

Basis of accounting: The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(continues)

STURGEON LAKE TLE LAND HOLDING CORP.

Notes to Financial Statements

Year Ended March 31, 2020

(Unaudited)

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

Revenue Recognition

Leasing income is recognized as revenue in the period of tenants' occupancy.

Revenues from land transferred from Sturgeon Lake Entitlement Revenue Account is recorded as income in the year that the land is acquired and transferred to the corporation.

Net financial assets:

Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

Non-financial assets:

Tangible capital and other non-financial assets are accounted for as assets by the Corporation because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Corporation unless they are sold.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Land	non-amortizable
Computer equipment	3 years straight-line method

The corporation regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year are not amortized until they are placed into use.

Appropriated reserves:

Reserves are established at the discretion of the Chief and Council to designate surplus for future operating and capital transactions. Amounts so designated are described on .

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

STURGEON LAKE TLE LAND HOLDING CORP.

Notes to Financial Statements

Year Ended March 31, 2020

(Unaudited)

4. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	2019 Balance	Additions	Disposals	2020 Balance
Land	\$ 3,473,257	\$ 90,847	\$ -	\$ 3,564,104
Computer Equipment	3,491	1,726	-	5,217
	\$ 3,476,748	\$ 92,573	\$ -	\$ 3,569,321

<u>Accumulated Amortization</u>	2019 Balance	Amortization	Accumulated Amortization on Disposals	2020 Balance
Land	\$ -	\$ -	\$ -	\$ -
Computer Equipment	1,745	1,331	-	3,076
	\$ 1,745	\$ 1,331	\$ -	\$ 3,076

<u>Net book value</u>	2020	2019
Land	\$ 3,564,104	\$ 3,473,257
Computer Equipment	2,141	1,746
	\$ 3,566,245	\$ 3,475,003

5. RELATED PARTY TRANSACTIONS

The following is a summary of the corporation's related party transactions:

	2020	2019
Sturgeon Lake First Nation TLE Revenue Account <i>(Common control)</i>		
Revenues on lands received	\$ 90,847	\$ 1,923,948
Reimbursement of professional fees on behalf	(6,005)	(9,381)
	\$ 84,842	\$ 1,914,567

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

STURGEON LAKE TLE LAND HOLDING CORP.

Notes to Financial Statements

Year Ended March 31, 2020

(Unaudited)

6. DUE TO RELATED PARTIES

	<u>2020</u>	<u>2019</u>
Current portion due to related party		
Sturgeon Lake First Nation Entitlement Revenue Trust	\$ 6,005	\$ 9,381

Advances from a related Trust are non-interest bearing and have no set repayment terms. The Trust is related by common control.

7. ACCUMULATED SURPLUS

	2019 (Restated - See Note 8)	Changes	2020
<u>UNAPPROPRIATED SURPLUS</u>	66,546	118,560	185,106
<u>APPROPRIATED SURPLUS</u>			
Class A common shares	100	-	100
<u>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</u>			
Tangible Capital Assets	3,475,006	91,239	3,566,245
Less: Related Debt	-	-	-
	<u>3,475,006</u>	<u>91,239</u>	<u>3,566,245</u>
Accumulated Surplus	<u>\$ 3,541,652</u>	<u>\$ 209,799</u>	<u>\$ 3,751,451</u>

STURGEON LAKE TLE LAND HOLDING CORP.

Notes to Financial Statements

Year Ended March 31, 2020

(Unaudited)

8. PRIOR PERIOD ADJUSTMENTS

As a result of applying Public sector accounting standards for the first time, lands acquired by the Trust and transferred to the Sturgeon Lake TLE Land Holding Corporation were adjusted to Revenues on land transferred where previously it had been recorded as a direct addition in Accumulated Surplus rather than being revenues on the Statement of Operations.

In addition, errors were identified that resulted in an increase in Accounts Receivable and Prepaid Expenses in the prior year.

	2019		
	As Previously		
	Reported	Adjustments	2019
<u>Statement of Financial Position</u>			
Accounts Receivable	\$ 4,856	\$ 5,000	\$ 9,856
Net Financial Assets	53,971	5,000	58,971
Prepaid Expenses	-	7,675	7,675
Accumulated Surplus	3,528,977	12,675	3,541,652
<u>Statement of Operations</u>			
Revenues	\$ 73,183	\$ 1,923,948	\$ 1,997,131
Expenses	(88,313)	7,675	(80,638)
Annual Surplus (Deficit)	(15,130)	1,931,623	1,916,493
<u>Statement of Changes in Net Financial Assets</u>			
Annual Surplus (Deficit)	\$ (15,130)	\$ 1,931,623	\$ 1,916,493
Increase in prepaid expenses	-	(7,675)	(7,675)
Additions to tangible capital assets	-	(1,923,948)	(1,923,948)
Net Financial Assets - end of year	53,971	5,000	58,971
<u>Statement of Cash Flows</u>			
Annual Surplus (Deficit)	\$ (15,130)	\$ 1,931,623	\$ 1,916,493
Prepaid expenses	-	(7,675)	(7,675)
Trust transfers	1,923,947	(1,923,947)	-

STURGEON LAKE TLE LAND HOLDING CORP.

Schedule of Rental Properties

Year Ended March 31, 2020

(Unaudited)

(Schedule 1)

	Elchuk Land		S&S Welding Land		Robertson Land		Gill Land	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUES	\$ 3,500	\$ -	\$ 10,000	\$ 9,940	\$ 4,725	\$ -	\$ 8,400	\$ 8,400
EXPENSES								
Repairs and maintenance	-	-	-	-	220	1,800	-	-
Property taxes	612	641	1,940	1,879	2,010	2,102	2,444	2,517
Insurance	31	64	123	255	31	64	31	64
	643	705	2,063	2,134	2,261	3,966	2,475	2,581
INCOME (LOSS) FROM OPERATIONS	\$ 2,857	\$ (705)	\$ 7,937	\$ 7,806	\$ 2,464	\$ (3,966)	\$ 5,925	\$ 5,819

STURGEON LAKE TLE LAND HOLDING CORP.

Schedule of Rental Properties (continued)

(Schedule 2)

Year Ended March 31, 2020

(Unaudited)

	Ayant Land		Reynolds Land		Mathewson Land		Brennin Land	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUES	\$ 13,250	\$ 15,000	\$ 154,892	\$ 24,331	\$ 1,815	\$ 3,626	\$ 10,080	\$ 10,080
EXPENSES								
Repairs and maintenance	400	10,000	-	-	-	-	-	-
Property taxes	2,122	2,018	45,122	7,335	1,707	-	891	769
Insurance	559	1,162	9,358	1,706	-	-	92	191
	3,081	13,180	54,480	9,041	1,707	-	983	960
INCOME FROM OPERATIONS	\$ 10,169	\$ 1,820	\$ 100,412	\$ 15,290	\$ 108	\$ 3,626	\$ 9,097	\$ 9,120

See notes to financial statements