

Athabasca Chipewyan First Nation
Consolidated Financial Statements
March 31, 2025

Athabasca Chipewyan First Nation

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For the year ended March 31, 2025

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To the Members of Athabasca Chipewyan First Nation:

Opinion

We have audited the consolidated financial statements of Athabasca Chipewyan First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statement of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2025, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Fort McMurray, Alberta

October 16, 2025

MNP LLP

Chartered Professional Accountants

Athabasca Chipewyan First Nation

Consolidated Statement of Financial Position

As at March 31, 2025

	2025	2024
Financial assets		
Cash and cash equivalents (Note 3)	8,501,964	9,147,491
Accounts receivable (Note 4)	3,720,008	2,985,365
Tax receivable	2,031,840	2,097,270
Marketable securities	454,562	429,102
Inventory for resale	689,885	673,404
Investments (Note 5)	16,081,176	14,626,770
Investment in Nation business entities (Note 6)	67,238,965	64,465,489
Funds held in trust and restricted investments (Note 7)	104,155,908	91,098,367
Investment in Cree Chip Development Corporation (Note 8)	2,950,350	2,639,350
Investment in joint venture and partnership (Note 9)	559,357	554,818
Total of assets	206,384,015	188,717,426
Liabilities		
Bank indebtedness (Note 10)	25,000	500,000
Accounts payable and accruals (Note 11)	7,368,705	7,050,244
Deferred revenue (Note 12)	6,612,493	6,001,080
Advances from related First Nation entities & departments	59,720	798,162
Long-term debt (Note 13)	21,235,341	22,318,335
Distributions due to minors (Note 17)	3,194,870	3,349,756
Total of financial liabilities	38,496,129	40,017,577
Net financial assets	167,887,886	148,699,849
Guarantees (Note 15)		
Contingent liabilities (Note 16)		
Subsequent event (Note 21)		
Non-financial assets		
Tangible capital assets (Schedule 1)	42,092,020	42,549,116
Prepaid expenses	159,864	141,889
Total non-financial assets	42,251,884	42,691,005
Accumulated surplus	210,139,770	191,390,854
Accumulated surplus is comprised of:		
Accumulated surplus	193,086,014	179,210,455
Accumulated remeasurement gains	17,053,753	12,180,401
	210,139,767	191,390,856

Approved on behalf of the Council



Chief



Council
Member

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

Athabasca Chipewyan First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2025

	Schedules	2025 Budget	2025	2024
Revenue				
Department of Indigenous Services Canada		-	9,678,681	7,971,265
Other revenue		-	507,603	344,364
Industry grants and other revenue		-	3,283,726	929,122
First Nations Development Fund		-	685,287	1,359,700
Store revenue		-	6,532,332	5,762,212
Canada Mortgage and Housing Corporation		-	841,013	351,655
Nutrition North Canada		-	807,222	838,830
Income from joint venture and partnership (Note 9)		-	2,426,328	2,709,427
Industry contributions	18,820,539	21,839,838	17,697,851	
Investment income	1,350,000	4,957,529	3,480,226	
Indigenous skills and employment training		-	137,800	188,115
Rental income		-	666,824	536,044
Earnings from investment in Nation business entities (Note 6)	1,000,000	8,985,008	7,021,947	
Deferred revenue - current year		-	(1,607,859)	(1,735,583)
Deferred revenue - prior year		-	1,735,583	6,318,283
		21,170,539	61,476,915	53,773,458
Program expenses				
Administration	3	18,641,069	18,131,361	18,097,867
Social Development	4	1,101,154	960,075	939,096
Education and Training	5	2,392,133	2,585,327	2,429,875
Housing	6	446,820	3,401,863	4,016,027
Entity Funds	7	-	44,266	181,239
1497161 Alberta Ltd.	8	-	1,603,684	1,046,794
Agriculture Benefits Settlement Trust	9	-	440,293	489,941
K'aitaile Market Ltd.	10	-	7,903,951	7,042,148
Settlement Funds	11	-	3,899,529	3,705,651
K'aitaile Denesoline Trust	12	-	322,619	222,110
ACFN Dene Lands and Resources Management	13	-	9,668,685	8,010,966
ACFN Commercial Properties	14	-	1,212,680	531,566
Total expenditures		22,581,176	50,174,333	46,713,280
Surplus (deficit) before other items		(1,410,637)	11,302,582	7,060,178
Other income (expense)				
Gain on disposal of investments (Note 5), (Note 7)		-	2,576,340	1,182,914
Gain (loss) on disposal of tangible capital assets		-	(3,363)	20,115
		-	2,572,977	1,203,029
Surplus (deficit)		(1,410,637)	13,875,559	8,263,207
Accumulated surplus, beginning of year		179,210,455	179,210,455	170,947,248
Accumulated surplus, end of year		177,799,818	193,086,014	179,210,455

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

Athabasca Chipewyan First Nation
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31, 2025

	2025	2024
Accumulated remeasurement gains, beginning of year	12,180,401	3,983,322
Unrealized gains (losses) attributable to:		
Trust and restricted investments (Note 7)	3,754,663	7,201,371
Investments (Note 5)	1,106,815	977,824
Marketable securities	11,874	17,884
Change in remeasurement gains, for the year	4,873,352	8,197,079
Accumulated remeasurement gains, end of year	17,053,753	12,180,401

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

Athabasca Chipewyan First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2025

	<i>2025 Budget</i>	<i>2025</i>	<i>2024</i>
Annual surplus	(1,410,637)	13,875,559	8,263,207
Purchases of tangible capital assets	-	(1,462,461)	(8,795,338)
Amortization of tangible capital assets	-	1,916,199	1,764,927
Gain on sale of tangible capital assets	-	3,363	(20,115)
Proceeds of disposal of tangible capital assets	-	-	34,000
Net change of tangible capital assets	-	457,101	(7,016,526)
Acquisition of prepaid expenses	-	(17,975)	(36,239)
Change in remeasurement losses for the year	-	4,873,352	8,197,079
Net change of prepaids and remeasurement gains	-	4,855,377	8,160,840
Change in net financial assets	(1,410,637)	19,188,037	9,407,521
Net financial assets, beginning of year	148,699,849	148,699,849	139,292,328
Net financial assets, end of year	147,289,212	167,887,886	148,699,849

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

Athabasca Chipewyan First Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	13,875,559	8,263,207
Non-cash items		
Amortization (Schedule 1)	1,916,199	1,764,927
Bad debts	489,295	40,147
Gain on disposal of portfolio investments	(2,576,340)	(1,182,914)
Loss (gain) on disposal of tangible capital assets	3,363	(20,115)
Earnings from investment in First Nation business entities (Note 6)	(8,985,008)	(7,021,947)
Non-cash expenses paid by First Nation business entities (Note 6)	4,760,647	3,593,903
Earnings net of distributions from investment in joint venture and partnership	(4,539)	(101,739)
Net non-cash investment income earned on restricted investments (Note 7)	(3,240,744)	(2,217,355)
Net non-cash investment income earned on investments (Note 5)	(494,917)	(360,350)
	5,743,515	2,757,764
Changes in working capital accounts		
Accounts receivable	(245,348)	(1,675,673)
Tax receivable	65,430	(680,119)
Inventory	(16,480)	132,052
Prepaid expenses	(17,975)	(36,239)
Accounts payable and accruals	318,461	1,646,160
Deferred revenue	611,413	(4,204,434)
Distributions due to minors (Note 17)	(154,886)	(45,033)
	6,304,130	(2,105,522)
Financing activities		
Advances of long-term debt	31,644,000	47,201,000
Repayment of long-term debt	(32,726,995)	(45,167,978)
Net advances (repayments) from related First Nation entities and departments	(738,442)	830,341
Advance (repayment) of bank indebtedness	(475,000)	500,000
Net advances (repayments) to Cree Chip Development Corporation	(311,000)	-
	(2,607,437)	3,363,363
Capital activities		
Purchases of tangible capital assets (Schedule 1)	(1,462,461)	(8,795,338)
Proceeds of disposal of tangible capital assets	-	34,000
	(1,462,461)	(8,761,338)
Investing activities		
Distributions from investment in First Nation business entities	1,470,885	6,343,896
Net proceeds on sale and disposal of restricted investments	(4,325,191)	(1,862,130)
Purchase (sale) of marketable securities	(25,451)	(24,268)
	(2,879,757)	4,457,498
Decrease in cash resources	(645,525)	(3,045,999)
Cash resources, beginning of year	9,147,489	12,193,488
Cash resources, end of year (Note 3)	8,501,964	9,147,489
Supplementary cash flow information		
Interest paid	1,215,696	1,174,092

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

Athabasca Chipewyan First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

1. Operations

The Athabasca Chipewyan First Nation (the "First Nation") is located in the province of Alberta, and provides various services to its members. Athabasca Chipewyan First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards set out in the CPA Handbook - Public Sector Accounting and are consistent with accounting policies set out by the Department of Indigenous Services Canada ("ISC"). Significant aspects of the accounting policies adopted by the First Nation are as follows:

Reporting entity consolidated

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

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

- Athabasca Chipewyan First Nation - Administration
- Social Development
- Education and Training
- Housing
- 850450 Alberta Ltd.
- 1497161 Alberta Ltd.
- K'ai Taile Market Ltd.
- ACFN Agriculture Benefits Settlement Trust
- Settlement Funds
- K'ai Taile Denesoline Trust
- ACFN Dene Land & Resource Management
- ACFN Commercial Properties

Nation business entities accounted for by the modified equity basis include:

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

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

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

Reporting entity *(Continued from previous page)*

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

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

Basis of presentation

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

Cash and cash equivalents

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

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Changes in fair value are recorded in the consolidated statement of remeasurement gains (losses).

Funds held in trust and restricted investments

Funds held in trust consist of cash and investments which are restricted in use. Gains and losses resulting from a change in fair value of restricted financial assets in the fair value category and any interest and dividend income are recorded as an increase or decrease to the associated liability until the resources are used in accordance with their specified purposes.

Investments in joint venture and partnership and investment in Cree Chip Development Corporation

Investments in a joint venture and partnership, subject to joint control are accounted for using the equity method, less any provisions for permanent impairment. The investment in Cree Chip Development Corporation is accounted for using the cost method, less any provisions for permanent impairment.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

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

- Prior to March 31, 2025, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Construction in progress is recorded at the construction costs of the related housing project. Contributed tangible assets are recorded at their fair value at the date of contribution.

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

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

Tangible capital assets *(Continued from previous page)*

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

Amortization

Tangible capital assets are amortized annually, unless otherwise disclosed, using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated operating surplus. Trust moneys consist of:

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

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

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

Deferred revenue

Funding received under funding arrangements relating to projects that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt. These amounts are recognized in revenue in the year the project costs are incurred.

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of consolidated financial position, accumulated surplus (deficit).

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

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

Measurement uncertainty *(Continued from previous page)*

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is based upon estimates of expended amounts and amounts required to complete specific projects.

Liability for contaminated sites

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

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

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

Revenue recognition

Funding

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

- i. The Department of Indigenous Services ("DISC") and First Nations and Inuit Health ("FNIH")
The Athabasca Chipewyan First Nation recognizes a government transfer as revenue when the transfer is authorized and eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.
- ii. Band Capital and Revenue Funds
The Athabasca Chipewyan First Nation recognizes revenue of the Capital and Revenue Fund as income is received and reported by the federal government.
- iii. Canada Mortgage and Housing Corporation ("CMHC")
CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements, and is decreased for amounts anticipated to be repaid at year end.
- iv. Rental income
Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.
- v. Employment and Social Development Canada ("ESD")
ESD provides funding for Aboriginal skills and employment training. These funds are reported as revenue in the year the specific expenses are incurred. Funds which have not been expended by the fiscal year end are recorded as deferred revenue and appear as a liability on the consolidated statement of financial position.
- vi. First Nation Development Fund ("FNDF")
FNDF provides funding for specific projects. These funds are reported as revenue in the year the specific expenses are incurred. Funds which have not been expended by the fiscal year end are recorded as deferred revenue and appear as a liability on the consolidated statement of financial position.
- vii. Nutrition North Canada
Nutrition North Canada provides funding for essential grocery items. These funds are reported as revenue in the year the specific expenses are incurred.

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

Revenue recognition *(Continued from previous page)*

viii. Other revenue, industry contributions, administration fees, and investment income

All other revenue received that are not subject to funding agreements are recorded in the year in which they are earned and collection is reasonably assured.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purposes specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Segments

The First Nation conducts its business through 12 reportable segments: See "reporting entity" accounting policy note for list of reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. Interest income is recognized in the consolidated statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

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

Fair value measurements

The First Nation classifies fair value measurements recognized in the consolidated statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the First Nation to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2025.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. No liabilities have been recorded as of March 31, 2025.

Consolidated Statement of Remeasurement Gains and Losses

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the consolidated statement of remeasurement gains and losses. Taken together, the two statements account for changes in a First Nation's net assets in the period.

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

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

2. Significant accounting policies (Continued from previous page)

Asset retirement obligation (Continued from previous page)

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

3. Cash and cash equivalents

Included in cash and cash equivalents is \$262,393 (2024 - \$262,393) restricted for capital housing projects (Note 14).

	2025	2024
Cash and cash equivalents	8,230,500	7,875,392
Restricted cash	262,393	262,393
GIC	9,071	1,009,706
	8,501,964	9,147,491

4. Accounts receivable

	2025	2024
Accounts receivable	4,555,847	4,776,892
Less: allowance for doubtful accounts	835,839	1,791,527
	3,720,008	2,985,365

5. Investments

Short term investments are carried at fair market value:

	2025	2024
Cash and cash equivalents	564,455	871,223
Equities	11,133,788	9,856,362
Fixed income	4,382,933	3,899,185
	16,081,176	14,626,770

During the year, the investments earned investment income of \$542,765 (2024 - \$405,246) and incurred investment related expenses of \$47,848 (2024 - \$44,896) and the net amount was re-invested into investments. The cost of investments is \$12,735,381 (2024 - \$12,387,789). The realized gain during the year was \$102,675 (2024 - realized loss of \$1,100). The change in fair value at year-end resulted in a cumulative unrealized gain of \$3,345,795 (2024 - unrealized gain of \$2,238,980).

Proceeds on disposal of investments and acquisition of investment are shown on a net basis on the consolidated statement of cash flows as its impracticable for management to show the gross amounts.

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

6. Investments in First Nation business entities

The First Nation has investments in the following entities, accounted for using the modified equity method:

					2025
	<i>Opening net investment</i>	<i>Current draws</i>	<i>Advances to business enterprises</i>	<i>Current earnings (loss)</i>	<i>Total investment</i>
Acden Companies Limited Partnership	57,688,110	(4,760,647)	-	2,362,237	55,289,700
2160415 Alberta Ltd.	175,881	(25,000)	-	(26,796)	124,085
2216328 Alberta Ltd.	4,216,530	-	-	(20,541)	4,195,989
ACFN Industry Investments Limited Partnership	2,404,968	(1,445,885)	-	6,670,108	7,629,191
	64,485,489	(6,231,532)	-	8,985,008	67,238,965

					2024
	<i>Opening net investment</i>	<i>Current draws</i>	<i>Advances to business enterprises</i>	<i>Current earnings</i>	<i>Total investment</i>
Acden Companies Limited Partnership	61,985,654	(3,593,903)	-	(723,481)	57,668,270
2160415 Alberta Ltd.	152,602	-	-	23,279	175,881
2216328 Alberta Ltd.	4,249,012	-	-	(32,482)	4,216,530
ACFN Industry Investments Limited Partnership	994,073	(6,343,896)	-	7,754,631	2,404,808
	67,381,341	(9,937,799)	-	7,021,947	64,465,489

Continued on next page

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

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

Summary financial information for each First Nation business enterprise for the respective year-end is as follows:

	Acden Companies Limited Partnership As at March 31, 2025	2160415 Alberta Ltd. As at March 31, 2025	2216328 Alberta Ltd. As at March 31, 2025	ACFN Industry Investments Limited Partnership As at March 31, 2025
Assets				
Assets	101,669,553	2,089,126	27,980,727	49,021,962
Total assets	101,669,553	2,089,126	27,980,727	49,021,962
Liabilities				
Liabilities	46,400,446	1,958,321	23,794,937	42,429,168
Total liabilities	46,400,446	1,958,321	23,794,937	42,429,168
Net Assets (debt)	55,269,107	130,805	4,185,790	6,592,794
Total revenue	76,572,095	158,350	1,684,513	11,168,298
Total expenses	74,209,858	185,146	1,705,054	4,498,190
Net income	2,362,237	(26,796)	(20,541)	6,670,108

During the year the Acden Companies LP paid for \$4,760,647 (2024 - \$3,563,903) of expenses on behalf of the First Nation. These amounts were settled through a non-cash distribution from Acden Companies LP and therefore have been excluded from the statement of cash flows. Guarantees associated with First Nation business entities are disclosed in Note 15.

7. Funds held in trust and restricted investments

	2025	2024
Ottawa Trust - Funds held in trust		
Balance, beginning of year	6,843	6,843
Balance, end of year	6,843	6,843
Agricultural Benefits Trust - Restricted Investments		
Equities	34,863,677	32,154,989
Fixed income	22,583,328	20,724,290
Balance, end of year	57,447,005	52,879,279
K'ai Taile Denesoline Trust - Restricted investments		
Cash and cash equivalents	2,842,264	2,628,950
Equities	19,805,473	14,064,716
Fixed income	24,054,323	21,518,579
Balance, end of year	46,702,060	38,212,245
	104,155,908	91,098,367

During the year the restricted investments earned investment income of \$3,764,188 (2024 - \$3,092,836) industry contributions of \$11,944,328 (2024 - \$9,422,404), and incurred investment related expenses of \$523,444 (2024 - \$473,630) and the net amount was re-invested into restricted investments. The cost of restricted investments is \$91,681,081 (2024 - \$83,644,577). The realized gains during the year were \$2,473,666 (2024 - \$1,181,814). The cumulative change in fair value at year-end resulted in an unrealized gain of \$12,474,827 (2024 - \$7,453,790).

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

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

Proceeds on disposal of restricted investments and acquisition of restricted investment are shown on a net basis on the consolidated statement of cash flows as its impracticable for management to show the gross amounts.

The Ottawa trust accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. Sections 63 to 69 of the *Indian Act* primarily govern the management of these funds.

8. Investment in Cree Chip Development Corporation

Loans advanced to Cree Chip Development Corporation, an other governmental organization of the First Nation. The First Nation owns 50% (2024 – 50%) of the related entity. The advance bears no interest and has no fixed terms of repayment.

9. Investment in joint venture and partnership

During the year, the income earned from the investment in the joint venture and the partnership was \$2,460,330 (2024 - \$2,259,427) and cash distributions were \$2,455,791 (2024 - \$2,228,847).

10. Bank indebtedness

Bank indebtedness includes an operating loan amounting to a maximum of \$750,000 (2024 – \$750,000) and bearing interest at prime plus 0.5% (2024 – prime plus 0.5%). Assets pledged as collateral are general security of real property and personal property of the First Nation.

	2025	2024
Royal Bank of Canada - Operating line of credit	25,000	500,000

11. Accounts payable and accruals

	2025	2024
Accounts payable and accruals	7,047,934	6,790,168
Government remittances	235,398	174,703
Holdbacks payable	85,373	85,373
	7,368,705	7,050,244

12. Deferred revenue

	2025	2024
ACFN Dene Land & Resource Management	4,902,068	4,137,980
Indigenous Services Canada	1,582,908	1,814,046
Social Development	82,986	4,523
Education and Training	44,531	44,531
	6,612,493	6,001,080

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

13. Long-term debt

	2025	2024
CMHC mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$1,402 including interest at 0.76%, renewing December 2025.	2,270,279	2,502,990
CMHC mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$829 including interest at 1.12%, renewing July 2026.	13,179	22,935
CMHC mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$989 including interest at 3.81%, renewing March 2028.	33,722	44,141
CMHC mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$865 including interest at 0.76%, renewing December 2025.	57,581	67,489
CMHC mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$315 including interest at 1.12%, renewing October 2026.	23,680	27,174
CMHC mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$2,212 including interest at 0.76%, renewing December 2025.	259,742	284,229
CMHC mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$2,434 including interest at 3.74%, renewing June 2028.	306,279	323,878
CMHC mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$3,851 including interest at 1.01%, renewing August 2026.	699,565	738,569
CMHC mortgage secured by property disclosed below and a guarantee from the Minister of the Department of Indigenous Services Canada, payable in monthly installments of \$6,515 including interest at 4.66%, renewing November 2028.	980,617	1,013,109
Royal Bank of Canada term loan, secured by \$550,000 guarantee from ACFN and first ranking security interest in all personal property of ACFN, payable in monthly installments of \$3,760 at prime plus 1.25%, renewing September 2025.	448,824	467,674
Royal Bank of Canada term loan, secured by \$14,650,000 guarantee by ACFN Agricultural Benefits Settlement Trust, 850450 Alberta Ltd., and 2216328 Alberta Ltd. and first ranking security interest in all personal property of 850450 Alberta Ltd. and 2216328 Alberta Ltd. payable in quarterly bankers' acceptances	10,450,000	10,840,000
Royal Bank of Canada letter of credit, monthly installments of \$nil (2024 - monthly installments \$nil), and an interest rate of 0.00% (2024 - 0.00%).	100,000	100,000
Royal Bank of Canada non-revolving term loan, secured by the real property of K'ai Taile Market Ltd. and a full coverage guarantee from Athabasca Chipewyan First Nation, payable in monthly installments of \$21,186 including interest at prime rate plus 1.25%, renewing April 2024.	2,402,098	2,656,330
Loan repaid in the year.	-	91,139

Athabasca Chipewyan First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2025

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

	2025	2024
Royal Bank of Canada first mortgage loan, secured by the real property at 300 MacKenzie Blvd, Fort McMurray, AB, T9H 4C4 owned by ACFN Commercial Properties GP Inc. and several unconditional guarantee from Athabasca Chipewyan First Nation, payable in monthly installments of \$21,660 including interest at 6.34%, maturing in July 2048.	3,189,775	3,138,679
	21,235,341	22,318,336

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2026	1,783,258
2027	1,159,486
2028	1,160,502
2029	1,153,017
2030	1,156,966
Thereafter	14,822,112

The prime rate as at March 31, 2025 is 4.95% (2024 - 7.20%).

Security pledged on all mortgages, loans and finance contracts consists of Government of Canada ministerial guarantees, guarantees by the Athabasca Chipewyan First Nation, assignment of fire insurance, a guarantee by the Ottawa Trust accounts and specific equipment.

The First Nation has pledged total Buildings, included in Schedule 1, as collateral for CMHC mortgages above, with a carrying amount of \$19,120,832 (2024 – \$19,200,358).

14. Replacement reserve

Under conditions of agreements with CMHC, the First Nation is required to maintain certain reserves related to on-reserve housing projects estimated at \$460,730 (2024 - \$410,438). As at March 31, 2025, the First Nation has funded \$262,393 (2024 - \$262,393). The First Nation is in violation of their agreements with CMHC. The possible effect of the violation has not yet been determined.

15. Guarantees

As of March 31, 2025, the First Nation and its business enterprises have assumed a joint and several obligation on a loan with Royal Bank of Canada, secured by property held by the First Nation's business enterprises up to a maximum amount of \$2,000,000 (2024 - \$2,460,443), of which \$nil (2024 - \$72,973) was drawn as of year-end. As at March 31, 2025, the Borrower is in compliance with all financial covenants. The guarantees remain in place for the duration of the loan, which matures February 13, 2035. Payments under these guarantees, which will remain in place until February 13, 2035, are triggered upon event of default, consisting of an inability to service the debt by the borrower; failure to comply with or to perform any provision under the loan agreement; the borrower becomes insolvent or generally fails to pay or admits in writing their inability or refusal to pay their debts as they become due.

As of March 31, 2025, Athabasca Chipewyan First Nation and its business enterprises have assumed a joint and several obligation on a loan with Royal Bank of Canada, secured by property held by ACFN Green Energy Limited Partnership up to a maximum amount of \$38,000,000 (2024 - \$38,000,000), of which \$29,052,632 (2024 - \$30,315,789) was drawn as of year-end. As at March 31, 2025, the Borrower is in compliance with all financial covenants. The guarantees remain in place for the duration of the loan, which matures March 29, 2041.

Payments under these guarantees, which will remain in place until March 29, 2041, are triggered upon event of default, consisting of an inability to service the debt by the Borrower; failure to comply with or to perform any provision under the loan agreement; the Borrower becomes insolvent or generally fails to pay or admits in writing their inability or refusal to pay their debts as they become due.

As at March 31, 2025, no liability has been recorded associated with these guarantees.

16. Contingent liabilities

The First Nation is involved in a lawsuit. The First Nation originally filed a claim against the defendants, but was counterclaimed by the defendants. This lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of these lawsuits or to estimate the loss, if any, which may result. Any amount awarded as a result of this action will be recorded when reasonably estimable.

Government contributions related to the projects of the First Nation are subject to conditions regarding the expenditure of funds. The First Nation's accounting records, as well as those agencies delegated to execute the projects, are subject to audit by the various funding agencies. Should any instances be identified in which the amounts charged to the projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies.

Adjustments to the consolidated financial statements as a result of these audits will be recorded in the year in which they become known.

17. Distributions due to minors

Upon the settlement of the Agriculture Benefits Claim, the Athabasca Chipewyan First Nation Agriculture Benefits Settlement Trust was created to hold the funds received and distribute amounts to minors once one of the following conditions have been met:

- i) reaching the age of eighteen (18) years with a Grade 12 education, or its equivalency; or
- ii) completing a Grade 12 education, or its equivalency, or enrolled in an apprenticeship or other post secondary program at any time during the ages of 18, 19, or 20 years; or
- iii) attaining the age of 21 years.

Subject to these conditions, each minor member that was alive at the date of ratification will be eligible to receive a single payment from the minors trust account in the amount of:

- i) \$10,000; plus
- ii) an inflation adjustment at a rate determined by reference to the CPI - All Items, published by Statistics Canada for Alberta for each year ended December 31, after 2017; plus
- iii) an investment adjustment at a rate of 2%, compounded annually, for each year ended December 31, after 2017.

At March 31, 2025 there were a total of 222 (2024 - 245) minors who had not yet been paid out. The minor's distributions were estimated based on a calculation which assumed no inflation and no investment adjustment has yet occurred. Total distributions made to minors in the year were \$304,849 (2024 - \$231,721).

18. Financial instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Risk management policy

The First Nation, as part of operations, carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments, except as otherwise disclosed. The First Nation has established management objectives such as avoidance of undue concentrations of risk. In seeking to meet these objectives, the First Nation follows a risk management policy approved by Chief and Council.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of the First Nation's financial instruments best represents the maximum exposure to credit risk. An allowance for doubtful accounts has been recorded as outlined in Note 4. As of March 31, 2025, one (2024 - one) customers accounted for 20% (2024 - 13%) of the accounts receivable balance.

The First Nation manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The First Nation is exposed to interest rate risk with respect to certain long-term debt amounts, which are subject to floating interest rates. The First Nation is exposed to interest rate price risk with respect to certain long-term debt amounts which bear interest at rates agreed upon at the time of issuance. The First Nation is also exposed to interest rate price risk with respect to its funds held in trust and restricted investments assets which earn interest.

18. Financial instruments *(Continued from previous page)*

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The First Nation enters into transactions to purchase portfolio investments through investments and funds held in trust and restricted investments, for which the market price fluctuates.

Other price risk is measured using standard deviation which measures a portfolio investment's volatility regardless of the cause. The First Nation manages its other price risk by utilizing investment managers and custodians to monitor the volatility of the portfolio investments held and manage the investments in accordance to the investment guidelines.

19. Budget information

The disclosed budget information has been approved by the Chief and Council of the Athabasca Chipewyan First Nation at the Chief and Council meeting held on June 11, 2024.

20. Comparative figures

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

21. Subsequent event

Subsequent to year end, Athabasca Chipewyan First Nation signed a settlement agreement with the Government of Canada for Treaty 8 Annuities for Athabasca Chipewyan First Nation Members regarding payments and entitlements under the Treaty in the amount of \$98,952,936.

22. Compliance with authorities

Under the terms of the *First Nations Financial Transparency Act*, Athabasca Chipewyan First Nation is required to post its consolidated financial on a website and submit the consolidated financial statements to Indigenous Services Canada by July 29, 2025. Since the audit report is dated after this date, Athabasca Chipewyan First Nation has not complied with this requirement. The potential effect of the non-compliance is unknown.