Saskatchewan Indian Training Assessment Group Inc.

Financial statements
March 31, 2026

Shape the future
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Independent auditor's report

To the Board of Directors of
Saskatchewan Indian Training Assessment Group Inc.

Opinion

We have audited the financial statements of **Saskatchewan Indian Training Assessment Group Inc.** [the "Organization"], which comprise the statement of financial position as at March 31, 2026, and the statement of operations and deficit and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 financial statements* section of our report.

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the 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.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Operational Update, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Operational Update prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the 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 Organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young LLP

Chartered Professional Accountants

Saskatoon, Canada
July 30, 2026

Saskatchewan Indian Training Assessment Group Inc.

Statement of financial position

As at March 31

	2026 $	2025 $
Assets		
Current		
Cash	**15,736,358**	15,810,210
Accounts receivable *[notes 3 and 6]*		
Labour Force Development Agencies	**2,241,754**	2,902,564
Child Care Agencies	**-**	40,237
Indigenous Services Canada	**-**	1,282,188
	17,978,112	20,035,199
Liabilities and fund balances		
Current		
Accounts payable *[notes 4 and 6]*		
Labour Force Development Agencies	**4,029,859**	4,208,163
Saskatchewan Indian Institute of Technologies	**197,724**	740,400
Employment and Social Development Canada	**-**	369,758
Deferred contributions *[note 5]*	**13,790,766**	14,716,878
Total liabilities	**18,018,349**	20,035,199
Deficit	**(40,237)**	-
	17,978,112	20,035,199

See accompanying notes

On behalf of the Board:

______________________ Director ______________________ Director

Saskatchewan Indian Training Assessment Group Inc.

Statement of operations and deficit

Year ended March 31

	2026 $	2025 $
Revenues *[Schedule 3 & note 5]*		
Employment and Social Development Canada		
First Nation Labour Market Strategy	**35,544,604**	33,726,847
Water Operator Training	**835,053**	-
Community Workforce Development Program	**-**	1,019,744
Interest revenue	**726,688**	1,090,128
	37,106,345	35,836,719
Expenses *[Schedule 3 & note 6]*		
Labour Market Programs and Services *[Schedule 1]*	**30,741,825**	30,746,337
Coordination and Operations Unit *[Schedule 2]*	**1,697,103**	1,814,281
Projects and Initiatives *[Schedule 2]*	**4,667,417**	3,052,242
First Nations and Inuit Child Care Initiave	**40,237**	-
	37,146,582	35,612,860
(Deficiency) excess of revenues over expenses for the year	**(40,237)**	223,859
Surplus (deficit), beginning of year	**-**	(223,859)
Deficit, end of year	**(40,237)**	-

See accompanying notes

Saskatchewan Indian Training Assessment Group Inc.

Statement of cash flows

Year ended March 31

	2026	2025
	$	$
Operating activities		
(Deficiency) excess of revenues over expenses for the year	**(40,237)**	223,859
Change in non-cash operating working capital:		
Accounts receivable from/accounts payable to:		
Labour Force Development Agencies	**482,506**	(1,240,216)
Saskatchewan Indian Institute of Technologies	**(542,676)**	(149,411)
Indigenous Services Canada	**1,282,188**	(1,282,188)
Employment and Social Development Canada	**(369,758)**	369,758
Deferred contributions	**(926,112)**	5,933,590
Child Care Agencies	**40,237**	-
Net (decrease) increase in cash during the year	**(73,852)**	3,855,392
Cash, beginning of year	**15,810,210**	11,954,818
Cash, end of year	**15,736,358**	15,810,210

See accompanying notes

Saskatchewan Indian Training Assessment Group Inc.

Notes to financial statements

March 31, 2026

1. Nature of operations

Saskatchewan Indian Training Assessment Group Inc. [the "Organization"] ["SITAG"] was incorporated on December 11, 1987 under the *Non-Profit Corporations Act* of Saskatchewan. The Organization qualifies as a tax exempt entity from income taxes under section 149 of the *Income Tax Act* (Canada).

SITAG enters into management agreements with Labour Force Development Agencies and Child Care Agencies ["Agencies"] to develop and implement labour market development programs that are designed to assist First Nations people to prepare for, obtain and maintain employment. Funds are received by SITAG under contract with Employment and Social Development Canada ["ESDC"] and Indigenous Services Canada ["ISC"] and transferred to the Agencies based on cost recovery claims under the following funding categories: Labour Market Programs and Services which include Consolidated Revenue Funds ["CRF"] and Employment Insurance Funds ["EI"]; Projects and Initiatives which include the Initiatives & Opportunity, Indigenous Labour Market Information & Skills Inventory Initiative ["ILMI"], Supporting Partnerships, Community Workforce Development Program ["CWDP"] and Water Operator Training ["WOT"] projects; and First Nations / Inuit Child Care Initiative ["FNICCI"]. The expenses for claims made by the Agencies are aggregated in SITAG's financial statements by program and service.

SITAG signed amendments to a 2019 agreement with ESDC and Canada Employment Insurance Commission to add the Initiatives & Opportunity and ILMI projects during the year ended March 31, 2023 and the Supporting Partnerships project during the year ended March 31, 2024. The Initiatives & Opportunity project expired March 31, 2024 while the ILMI and Supporting Partnerships projects are extended to March 31, 2026.

On March 27, 2025, SITAG entered into an agreement with ISC for the WOT project which focuses on training First Nations Water Operators in Saskatchewan. The WOT project, originally set to expire at the end of the project period of March 31, 2026, was extended to March 31, 2027.

2. Summary of significant accounting policies

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 statement of financial position date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Significant estimates include reported amounts of revenue and expenditures during the reporting period and are based on claims submitted by the Agencies, the eligibility of which are monitored by SITAG and ESDC. This monitoring process may identify ineligible claims subsequent to the reporting period. Other significant estimates include the recoverable amounts of accounts receivable. Accounts receivable for program funding includes amounts related to prior and current years. These amounts are subject to final approval by funding agencies and amounts may change.

(b) Cash

Cash consists of bank balances and balances with financial institutions which have a term to maturity of three months or less from the date of acquisition.

Notes to financial statements

March 31, 2026

(c) Financial instruments

The Organization initially records a financial instrument that was originated, issued or assumed in an arm's length transaction at fair value.

Related party financial instruments that have repayment terms are initially recorded at cost, representing the undiscounted cash flows of that instrument, excluding interest and dividend payments.

Transaction costs are recognized in net income in the period incurred. However, arm's length financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs and financing fees that are directly attributable to their origination, issuance or assumption. In the case of financial instruments subsequently measured at amortized cost, these transaction costs and financing fees are amortized on a straight-line basis.

Subsequently, the Organization measures financial instruments as follows:

- The amounts due from and to related parties using the cost method less impairment;
- All other financial assets, which include cash and accounts receivable, at amortized cost; and
- All other financial liabilities, which include accounts payable, at amortized cost.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at cost or amortized cost is reduced to the greater of:

[i] For an arm’s length financial asset, the present value of the cash flows expected to be generated by holding the asset, discounted using a current market rate of interest appropriate to that asset, and for a related party debt instrument, the undiscounted cash flows expected to be generated by holding the asset, excluding interest and dividend payments;
[ii] The amount that could be realized by selling the asset at the balance sheet date; and
[iii] The amount the Organization expects to realize by exercising its right to any collateral held to secure repayment of the asset, net of all costs necessary to exercise those rights.

A previously recognized impairment loss is reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized, but the adjusted carrying amount of the financial asset shall be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized.

(d) Revenue recognition

The Organization follows the deferral method of accounting for grants and contributions. Grants and contributions for expenses of future periods are deferred and recognized as revenue in the year in which the related expenses are incurred. Interest earned on restricted contributions is recognized as revenue in the year in which the related expenses are incurred.

Notes to financial statements

March 31, 2026

3. Accounts receivable

	Labour Market Programs and Services $	Projects and Initiatives $	2026 $	2025 $
Labour Force Development Agencies:				
Tribal Council and Urban Agencies	**490,800**	**1,062,536**	**1,553,336**	2,245,367
Independent First Nations	**243,991**	**444,427**	**688,418**	657,197
	734,791	**1,506,963**	**2,241,754**	2,902,564
Child Care Agencies	-	-	-	40,237
Indigenous Services Canada	-	-	-	1,282,188
	734,791	**1,506,963**	**2,241,754**	4,224,989

4. Accounts payable

	Labour Market Programs and Services $	Projects and Initiatives $	2026 $	2025 $
Labour Force Development Agencies:				
Tribal Council and Urban Agencies	**2,217,563**	**774,923**	**2,992,486**	3,076,844
Independent First Nations	**827,294**	**210,079**	**1,037,373**	1,131,319
	3,044,857	**985,002**	**4,029,859**	4,208,163
Saskatchewan Indian Institute of Technologies ["SIIT"]				
SITAG Coordination	**197,724**	**-**	**197,724**	302,692
JobConnections Mobile	**-**	**-**	**-**	437,708
	197,724	**-**	**197,724**	740,400
Employment and Social Development Canada	-	-	-	369,758
	3,242,581	**985,002**	**4,227,583**	5,318,321

5. Deferred contributions

	Labour Market Programs and Services $	Projects and Initiatives $	2026 $	2025 $
Balance, beginning of year	**2,335,986**	**12,380,892**	**14,716,878**	8,783,288
Funding for the year	**32,952,486**	**2,501,059**	**35,453,545**	40,680,181
Interest revenue	**726,688**	**-**	**726,688**	1,090,128
Net funding recognized as revenue in the year	**(32,438,928)**	**(4,667,417)**	**(37,106,345)**	(35,836,719)
	3,576,232	**10,214,534**	**13,790,766**	14,716,878

Notes to financial statements

March 31, 2026

6. Related party transactions

SITAG is related to the Federation of Sovereign Indigenous Nations ["FSIN"] as the FSIN appoints member representatives to the SITAG Board of Directors. Other related parties include:

- First Nations and Tribal Councils [including their Labour Force Development Agencies and Child Care Agencies ["Agencies"] that are members of the FSIN and also independently appoint representatives to the Board of Directors;
- Other First Nations controlled entities related through the FSIN; and
- Saskatchewan Indian Institute of Technologies ["SIIT"], as it has an appointee to the Board of Directors.

Amounts receivable from, or payable to, related parties are disclosed separately in notes 3 and 4 to the financial statements.

SITAG has contracted SIIT for the provision of administrative services as well as for the provision of certain skills training programs. The amounts paid to SIIT are included in expenses on the statement of operations and deficit are itemized as follows:

	2026 $	**2025** $
Base funding:		
SIIT Regional Training Plan Delivery:		
Skills training program	**4,725,227**	4,725,227
SITAG /SIIT Regional Wrap Around Support Partnerships:		
JobConnections Centres	**560,687**	510,687
Mental Wellness	**200,000**	200,000
JobConnections Mobile	**150,000**	150,000
JobSeries	**76,388**	76,388
	987,075	937,075
SITAG Agreement Regional Coordination:		
Operations Unit	**715,087**	626,320
Community Relations	**407,045**	484,367
Professional services	**282,157**	364,442
Non-salary operating	**249,977**	278,491
Capacity building	**42,838**	60,660
	1,697,104	1,814,280
Provisional funding:		
Projects and Initiatives:		
Labour Market Information and Skills Inventory	**474,553**	443,338
Water Operator Training	**458,648**	-
Supporting Partnerships	**446,083**	358,385
Community Workforce Development Program	**-**	462,809
	1,379,284	1,264,532
	8,788,690	8,741,114

All related party transactions are in the normal course of operations and are measured at the agreed upon exchange amount.

7. Financial instruments and risk management

Liquidity risk

The Organization does have liquidity risk with respect to its accounts payable. Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. In the opinion of management the liquidity risk exposure to the Organization is low and is not material.

Credit risk

The Organization does have credit risk with respect to its accounts receivable. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk related to accounts receivable is considered minimal as amounts receivable are due from ESDC and other Agencies. Amounts are recovered as Agencies expend the funds on qualifying programs.

Interest rate risk

The Organization is exposed to interest rate risk arising from fluctuations in interest rates on amounts invested in interest bearing cash accounts. The Organization believes that it is not exposed to significant interest rate risk arising from its financial instruments.

8. Economic dependence

SITAG is economically dependent on government funding. A contract with ESDC has been signed on April 1, 2019 under the ISET program to March 31, 2029.

9. Contractual obligations

SITAG is signatory to various agreements whereby it will be obligated to make future payments as goods are received or services rendered. ESDC has either provided or committed to provide adequate funding to cover these commitments.

Schedule of expenses - Labour Market Program and Services

Year ended March 31

	CRF	EI	2026	2025
	$	$	$	$
Training purchases	**12,181,900**	**1,461,860**	**13,643,760**	12,907,744
Income support - trainees	**5,303,428**	**3,326,178**	**8,629,606**	8,335,920
Personnel	**1,720,239**	**3,239,238**	**4,959,477**	5,416,616
Materials and supplies	**659,256**	**645,458**	**1,304,714**	1,319,454
Travel	**379,589**	**544,061**	**923,650**	1,096,489
Facility	**348,020**	**408,092**	**756,112**	1,078,392
Other	**353,720**	**90,586**	**444,306**	514,112
Furnishings and equipment	**27,374**	**52,826**	**80,200**	77,610
	20,973,526	**9,768,299**	**30,741,825**	30,746,337

Schedule of expenses - Coordination and Operations Unit and Project and Initiatives

Year ended March 31

Expenses - Coordination and Operations Unit

	CRF	EI	2026	2025
	$	$	$	$
Personnel	**63,637**	**1,068,452**	**1,132,089**	1,089,492
Other	**-**	**230,177**	**230,177**	322,382
Travel	**-**	**178,687**	**178,687**	241,509
Facility	**-**	**78,169**	**78,169**	87,053
Furnishings and equipment	**-**	**64,449**	**64,449**	66,338
Materials and supplies	**-**	**13,532**	**13,532**	7,507
	63,637	**1,633,466**	**1,697,103**	1,814,281

Expenses - Projects and Initiatives

	CRF	WOT	2026	2025
	$	$	$	$
Personnel	**2,224,736**	**59,324**	**2,284,060**	1,355,848
Travel	**422,724**	**273,959**	**696,683**	227,882
Income support - trainees	**437,598**	**161,390**	**598,988**	405,317
Materials and supplies	**394,563**	**13,820**	**408,383**	502,635
Training purchases	**45,896**	**240,321**	**286,217**	36,650
Other	**145,611**	**64,605**	**210,216**	423,254
Facility	**115,783**	**10,991**	**126,774**	41,712
Furnishings and equipment	**45,453**	**10,643**	**56,096**	58,944
	3,832,364	**835,053**	**4,667,417**	3,052,242

Saskatchewan Indian Training Assessment Group Inc. **Schedule 3**

Schedule of Government of Canada Agreements - Revenue and Expenses

Year ended March 31

	CRF	EI	ILMI Project	Supporting Partnerships Project	FNICCI	WOT Project	2026	2025
	$	$	$	$	$	$	$	$
Revenue:								
Deferred contributions, beginning of year	703,006	1,632,980	7,773,479	3,325,223	-	1,282,190	14,716,878	8,783,288
Annual allocation	20,158,701	9,768,785	-	2,501,059	-	-	32,428,545	30,452,797
New funding amendments (repayments)	1,500,000	1,525,000	-	-	-	-	3,025,000	10,227,384
Interest and ancillary revenue	726,688	-	-	-	-	-	726,688	1,090,128
Deferred contributions, end of year	(2,051,232)	(1,525,000)	(6,049,868)	(3,717,529)	-	(447,137)	(13,790,766)	(14,716,878)
Revenue recognized	21,037,163	11,401,765	1,723,611	2,108,753	-	835,053	37,106,345	35,836,719
Expenses:								
Funded programs	18,552,727	5,410,674	1,455,388	1,916,389	40,237	769,829	28,145,244	25,737,098
Core services	97,408	4,338,280	-	-	-	-	4,435,688	4,704,588
Regional wrap around supports	-	426,388	-	-	-	-	426,388	426,388
Administration	1,818,841	1,226,423	268,223	192,364	-	65,224	3,571,075	4,167,821
Partnership development	568,187	-	-	-	-	-	568,187	576,965
Expenses	21,037,163	11,401,765	1,723,611	2,108,753	40,237	835,053	37,146,582	35,612,860
Deficiency of revenue over expenses	-	-	-	-	(40,237)	-	(40,237)	223,859
Surplus (deficit), beginning of year	-	-	-	-	-	-	-	(223,859)
Deficit, end of year	-	-	-	-	(40,237)	-	(40,237)	-