

Shoal Lake #40 First Nation
Consolidated Financial Statements
March 31, 2023

Shoal Lake #40 First Nation

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For the year ended March 31, 2023

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Management's Responsibility

To the Members and Chief and Council of Shoal Lake 40 First Nation:

The accompanying consolidated financial statements of Shoal Lake 40 First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Shoal Lake 40 First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, are appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

March 9, 2024

Original Signed By:
VERN FAIR

Vern Fair, Band Manager

To the Members and to the Chief and Council of Shoal Lake 40 First Nation:

Qualified Opinion

We have audited the consolidated financial statements of Shoal Lake 40 First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2023, and the results of its consolidated operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Section PS 3280 Asset Retirement Obligation of the Canadian Public Sector Accounting Standard ("PSAS") was adopted by the First Nation on April 1, 2022 with prospective application. This standard requires the recognition of an asset retirement obligation ("ARO") liability when there is a legal obligation that established a clear responsibility to incur retirement costs in relation to a tangible capital asset. The First Nation has not identified any ARO liabilities as of March 31, 2023 and we were unable to satisfy ourselves concerning those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to liabilities, net-debt, tangible capital asset, accumulated surplus, expenses, operating surplus (deficit), or changes in net debt as at and for the year-ended March 31, 2023.

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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and 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 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Kenora, Ontario

March 9, 2024

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Shoal Lake #40 First Nation
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
Financial assets		
Cash (Note 4)	14,041,049	13,803,240
Amounts due from government (Note 5)	2,288,145	2,753,250
Trade and other receivables (Note 6)	1,170,202	769,619
Due from related parties (Note 7)	611,836	152,171
Funds held in Ottawa Trust Fund (Note 8)	37,266	36,350
Funds held in Community Development account (Note 9)	66,480	-
Portfolio investments (Note 10)	6,918,019	6,533,965
Total financial assets	25,132,997	24,048,595
Liabilities		
Accounts payable and accruals (Note 12)	9,910,148	8,608,786
Deferred revenue (Note 13)	2,683,034	4,231,593
Unexpended funding (Note 14)	262,659	267,687
Repayable to funder (Note 15)	457,541	457,541
Debt (Note 16)	5,253,061	4,365,524
Total liabilities	18,566,443	17,931,131
Net financial assets	6,566,554	6,117,464
Contingent liabilities (Note 19)		
Commitments (Note 10)		
Non-financial assets		
Tangible capital assets (Note 11) (Schedule 1)	59,976,683	60,623,885
Prepaid expenses	85,929	151,956
Total non-financial assets	60,062,612	60,775,841
Accumulated surplus	66,629,166	66,893,305

Approved on behalf of Chief and Council

Original Signed By:
KEVIN REDSKY

Chief

Original Signed By:
BRENDA FREEL

Councillor

Original Signed By:
TANIA BRUYERE

Councillor

Original Signed By:
BILLY-JOE WAHPAY

Councillor

Shoal Lake #40 First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2023

Schedules	2023 Budget (Note 21)	2023	2022
Revenue			
Indigenous Services Canada (Note 17), (Note 18)	9,709,816	7,992,444	9,089,549
Environmental and Climate Change Canada (Note 18)	-	-	60,000
Canada Mortgage and Housing Corporation (Note 18)	24,931	24,931	24,931
Indigenous Services Canada - Trust	-	916	325
Ministry of Education (Note 18)	734,068	734,168	734,068
Ministry of Indigenous Affairs (Note 18)	155,000	108,086	356,580
Ministry of Community and Social Services (Note 18)	184,593	383,204	332,886
Ministry of Health and Long-Term Care (Note 18)	110,328	130,820	170,641
Ministry of Labour, Training and Skills Development (Note 18)	-	672,045	120,865
Ministry of Transportation (Note 18)	378,269	1,197,936	-
Ministry of Child and Youth Services (Note 18)	21,600	27,000	-
Grand Council Treaty #3	1,082,984	1,095,320	659,531
Ontario First Nations Limited Partnership	775,087	800,279	565,092
Other revenue	1,180,931	731,866	145,981
Kekekoiibii Development Corporation	700,000	700,000	-
Kenora Chiefs Advisory	324,594	538,334	376,241
Investment income	396,395	372,715	633,969
Shooniyaa Wa-Biitong	81,837	223,497	81,837
Interest income	-	222,769	-
Bimose Tribal Council	100,000	100,000	113,571
Debt forgiveness	-	100,000	100,000
Aboriginal Strategies Limited Partnership	53,982	53,982	3,000
User fees	41,500	41,500	48,500
Four Winds	91,000	40,167	60,000
HST and Sales Tax rebates	67,357	33,357	101,028
Rental revenue	17,500	17,500	60,000
City of Winnipeg	4,000	4,000	-
Ontario Air Ambulance	3,500	3,500	3,500
Shibogama First Nations Council	-	-	17,752,945
Second Harvest Canada	-	-	45,000
Unexpended funding - prior year (Note 14)	267,867	267,687	267,687
Unexpended funding - current year (Note 14)	-	(262,659)	(267,687)
Deferred revenue - prior year (Note 13)	3,550,817	4,170,587	17,552,794
Deferred revenue prior year - COVID (Note 13)	-	61,006	203,131
Deferred revenue - current year (Note 13)	859,500	(2,683,034)	(4,170,587)
Deferred revenue - current year - COVID (Note 13)	-	-	(61,006)
Repayment of funding	-	-	(91,295)
	20,917,456	17,903,923	45,073,077

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Shoal Lake #40 First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2023

	<i>Schedules</i>	2023 Budget (Note 21)	2023	2022
Revenue <i>(Continued from previous page)</i>		20,917,456	17,903,923	45,073,077
Expenses				
Administration	4	4,258,964	2,612,881	2,766,310
Capital	5	2,864,575	3,082,839	10,121,645
Economic Development	6	271,195	1,433,076	67,528
Education	7	4,033,130	2,931,138	2,161,993
Health	8	3,530,592	3,254,933	2,112,474
Operations and Maintenance	9	4,064,859	1,730,765	1,469,517
Daycare	10	872,295	869,775	770,622
Social Services	11	257,693	632,305	461,355
Ontario First Nations Limited Partnership	12	-	1,565	-
Total expenses (Schedule 2)		20,153,303	16,549,277	19,931,444
Surplus before other income (expense)		764,153	1,354,646	25,141,633
Other income (expense)				
Gain (loss) on disposal of tangible capital assets		-	(1,618,784)	-
Surplus (deficit)		764,153	(264,139)	25,141,632
Accumulated surplus, beginning of year		66,893,305	66,893,305	41,751,673
Accumulated surplus, end of year		67,657,458	66,629,166	66,893,305

Shoal Lake #40 First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Surplus (deficit)	764,153	(264,139)	25,141,632
Amortization of tangible capital assets	-	2,003,604	2,035,735
(Gain) loss on sale of tangible capital assets	-	1,618,784	-
Construction in progress	-	(1,770,744)	24,275,760
Assets put into use	-	-	(32,090,333)
Purchases of tangible capital assets	-	(1,204,442)	(17,896,530)
	-	647,202	(23,675,368)
Acquisition of prepaid expenses	-	-	(66,477)
Use of prepaid expenses	-	66,027	47,432
	-	66,027	(19,045)
Increase in net financial assets	764,153	449,090	1,447,219
Net financial assets, beginning of year	6,117,464	6,117,464	4,670,245
Net financial assets, end of year	6,881,617	6,566,554	6,117,464

The accompanying notes are an integral part of these financial statements

Shoal Lake #40 First Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	(264,139)	25,141,632
Non-cash items		
Amortization	2,003,604	2,035,735
Debt forgiveness	-	(100,000)
Capital assets received through contribution from Shibogama Tribal Council	-	(17,752,945)
	1,739,465	9,324,422
Changes in working capital accounts		
Amounts due from government	465,105	(1,105,113)
Trade and other receivables	(400,583)	(140,618)
Due from related parties	(459,665)	(15,080)
Prepaid expenses	66,027	(19,045)
Accounts payable and accruals	1,301,362	6,744,723
Deferred revenue	(1,548,559)	(13,524,332)
Unexpended funding	(5,028)	-
Repayable to funder	-	91,294
	1,158,124	1,356,251
Financing activities		
Advances of long-term debt	1,070,357	212,911
Repayment of long-term debt	(182,820)	(59,539)
Repayment of term loan due on demand	-	(14,370)
	887,537	139,002
Capital activities		
Construction in progress	(1,770,744)	24,275,760
Assets put into use	-	(32,090,334)
Purchases of tangible capital assets	(1,204,442)	(143,585)
Gain (loss) on disposal of tangible capital assets	1,618,784	-
	(1,356,402)	(7,958,159)
Investing activities		
Funds held in Ottawa Trust Fund	(916)	(325)
Funds held in Community Development Account	(66,480)	-
Purchase of portfolio investments	91,443	(299,667)
Purchase of investment in related parties	(475,497)	-
	(451,450)	(299,992)
Increase (decrease) in cash resources	237,809	(6,762,898)
Cash resources, beginning of year	13,803,240	20,566,138
Cash resources, end of year	14,041,049	13,803,240
Supplementary cash flow information		
Interest paid	43,989	14,907

The accompanying notes are an integral part of these financial statements

Shoal Lake #40 First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

1. Operations

The Shoal Lake 40 First Nation (the "First Nation") is located in the Provinces of Ontario and Manitoba, and provides various services to its members.

2. Change in accounting policy

Effective April 1, 2022, the First Nation adopted the following Canadian public sector accounting standards:

- 1) PS 3450 Financial Instruments
- 2) PS 3280 Asset Retirement Obligations
- 3) PS 3041 Portfolio Investments
- 4) PS 1201 Financial Statement Presentation

The related impact on the First Nation's significant accounting policies is described in Note 3.

3. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian Public Sector Accounting Standards and include the following significant accounting policies:

Reporting entity

The Shoal Lake 40 First Nation reporting entity includes the First Nation Government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation.

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for government business entities.

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

- Shoal Lake 40 First Nation
- CMHC Housing

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.

Cash resources

Cash resources includes balances with banks and temporary investments maturing in the next fiscal year. Cash subject to restrictions are recorded as restricted cash.

Funds held in Ottawa Trust Fund

The funds held in trust are held in the consolidated revenue fund of the Government of Canada and are subject to audit by the office of the Auditor General of Canada. Revenue from the funds held in trust is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Trust monies consist of:

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

Shoal Lake #40 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributed to construction and development, as well as interest costs that are directly attributable to the acquisition and construction of the asset.

Tangible capital assets are written down when the conditions indicate they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital asset are less than their net book value. The net write-downs are accounted for as an expense in the consolidated statement of operations and accumulated surplus.

Contributed capital assets are recorded into revenue at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

Assets under construction are not amortized until the asset is available to be put into service.

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

		Term
Sewer and water infrastructure	straight-line	40 years
Community buildings	straight-line	40 years
Landfill	straight-line	40 years
Band housing	straight-line	25 years
CMHC Housing	straight-line	25 years
Vehicles	straight-line	10 years
Boats	straight-line	10 years
Equipment	straight-line	10 years
Waste Service / Freedom Road	straight-line	40 years

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 First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in the consolidated statement of operations for the year in which the asset becomes impaired.

Prices for similar items are used to measure fair value of long-lived assets.

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

Portfolio investments

The First Nation's investments consist of mutual funds and long-term investments from entities that are not owned, controlled, or influenced by the First Nation and are accounted for at cost, less any provision for other than temporary impairment.

Revenue recognition

Government Transfers

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

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, and is matched with the related department expenses in the year of their occurrence.

Investment and other revenue are recognized on an accrual basis as earned and collection is reasonably assured.

Measurement uncertainty

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

Accounts receivable and due from related parties are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

Accounts payable and accruals are based on historical charges for unbilled goods and services at year-end.

Deferred revenue is estimated based on management's review of revenue received, but unspent as of year end.

Surplus repayable is based on the agreements in place with funding agencies.

Provisions for funding recoveries and site rehabilitations costs are recorded in accordance with management's estimate of future costs.

These estimates are reviewed periodically, and as adjustments become necessary, they are reported on the consolidated statement of operations in the period in which they become known.

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

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 consolidated 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, 2023. 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.

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.

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, 2023.

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.

Non-financial assets

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets 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 government unless they are sold.

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of 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 financial position, accumulated surplus.

Shoal Lake #40 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Segments

The First Nation conducts its business through nine reportable segments: Administration, Capital, Economic Development, Education, Health, Operations and Maintenance, Daycare, Social Services and Ontario First Nations Limited Partnership. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

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

Administration - Activities include the governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes. The planning, managing and delivery of large scale infrastructure and capital projects to the community.

Capital - Activities include building Housing in addition to drafting and submitting reports on capital projects.

Economic Development - Activities include drafting and submitting reports on the economic development of the First Nation and related entities.

Education - Activities include overseeing many aspects of education opportunities for its members at all levels of learning both within the community and externally.

Health - Activities include the delivery of Health related services to the First Nation.

Operations and Maintenance - Activities include the development and maintenance of the community's infrastructure, buildings, roads, bridges, and related equipment and the provision of other more specialized community service.

Daycare - Activities include providing daycare services for the members of the community.

Social Services - Activities include satisfying the economic, social or health related needs of members of the community who require assistance.

Ontario First Nation Limited Partnership (OFNLP) - Activities Include the funding received from Ontario First Nation Limited Partnership.

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 statement of remeasurement gains and losses. Taken together, the two statements account for changes in the First Nation's net debt 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.

As the First Nation did not have any items to be included on the consolidated statement of remeasurement gains (losses), the statement has been excluded in these consolidated financial statements.

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

Financial instruments

Amortized cost

The First Nation has classified the following financial assets in the amortized cost category: cash, accounts receivable, and restricted cash. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Cash, accounts receivable, marketable securities/portfolio investments, and restricted cash are subsequently measured at their amortized cost, using the effective interest rate method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal payments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability.

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 statement of remeasurement gains and losses. Interest income is recognized in the 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. 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 statement of remeasurement gains and losses.

The First Nation has classified the following liabilities in the amortized cost category: accounts payable and accruals and debt. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Accounts payable and accruals and debt are subsequently measured at amortized cost using the effective interest rate method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Shoal Lake #40 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

4. Cash

	2023	2022
Guaranteed investment certificate bearing interest of 5.15%, maturing November 2024	7,979,140	7,121,526
Operating	3,091,073	4,125,014
Guaranteed investment certificate bearing interest of 5.15%, maturing January 2024	2,218,625	-
Daycare	296,058	1,781,305
Social Services	326,939	522,808
Freedom Road	16,820	120,786
Economic Development Trust	99,702	99,852
Water Supply Project	12,692	31,949
	14,041,049	13,803,240

5. Amounts due from government

	2023	2022
Federal		
Indigenous Services Canada	1,836,123	2,265,620
Natural Resources Canada	500	500
Province of Ontario	451,522	487,130
	2,288,145	2,753,250

6. Trade and other receivables

	2023	2022
Trade receivables	185,546	262,390
Four Winds	386,475	-
Shooniyaa Wa Biitong	198,946	90,021
Kenora Chiefs Advisory	269,993	291,659
Bimose Tribal Council	100,000	106,000
Members	29,242	19,549
	1,170,202	769,619

Shoal Lake #40 First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

7. Due from related parties

The outstanding balance from Kekekoziibii Development Corporation of \$10,816 as at March 31, 2023 (2022 - \$152,171) is unsecured, non-interest bearing and has no fixed terms of repayment.

The outstanding balance from Social Services of \$11,536 as at March 31, 2023 is unsecured, non-interest bearing and has no fixed terms of repayment.

The outstanding balance from Waa Bong Resources of \$696,954 as at March 31, 2023 is unsecured, non-interest bearing and has no fixed terms of repayment.

The outstanding balance from Shoal Lake #40 Contractors Limited Partnership of \$23,490 as at March 31, 2023 is unsecured, non-interest bearing and has no fixed terms of repayment.

The outstanding balance to Shoal Lake #40 Camp Services Limited Partnership of \$130,960 as at March 31, 2023 is unsecured, non-interest bearing and has no fixed terms of repayment.

8. Funds held in Ottawa Trust Fund

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

	2023	2022
Capital Trust		
Balance, beginning and end of year	11,769	11,769
Revenue Trust		
Balance, beginning of year	24,581	24,256
Interest	916	325
	25,497	24,581
	37,266	36,350

9. Funds held in Community Development account

RBC Community accounts are held in trust bank accounts. The Community Investment Account is reinvested back into the Trust. The Community Development Accounts are for membership distributions based upon where the member lives. An Advisory Board separate of Chief and Council is set up to receive and approve requests from members.

	2023	2022
RBC Trust		
Community Investment Account	25,793	-
Community Investment Account	40,687	-
	66,480	-

RBC trust monies are transferred to the First Nation annually. The Annual Payment is the amount that equals the greater of the following calculations:

The sum of all the Fiscal Year's Annual Income less any Authorized Loan Payments plus the value of any applicable PCD distribution for that current Fiscal Year and any outstanding PCD Obligation from a previous year, or;

The sum of three (3%) percent of the closing market value of all the Authorized Investments as of December 31st of the previous Fiscal Year, less any Authorized Loan Payments plus the value of any applicable PCD Distribution for that current Fiscal Year and any outstanding PCD Obligation from a previous year.

Shoal Lake #40 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Portfolio investments/Commitments

In June 1989, the First Nation entered into a 60 year agreement with the Province of Manitoba and the City of Winnipeg for the preservation of water quality on Shoal Lake. The Province of Manitoba and the City of Winnipeg each paid \$3,000,000 to a Trustee for investment, with the First Nation being entitled to the income earned subject to the terms and conditions of the agreement. The principal sum of the trust is to be disbursed to the First Nation upon the expiry of the agreement after 60 years, or upon termination of the agreement prior to the full term, the sum calculated as the principal multiplied by the expired term divided by 60 years, 2023 - \$2,600,000 (2022 - \$2,700,000). The investment balance consists of the following:

	2023	2022
Province of Manitoba and City of Winnipeg		
Mutual Fund - Enhanced Total Return Bond Fund (FMV \$3,078,910)	3,462,200	3,357,101
Mutual Fund - Overseas Equity Fund (FMV \$1,996,916)	1,765,363	1,866,725
Mutual Fund - Canadian Equity Value Fund (FMV \$1,348,969)	1,056,805	1,013,140
Mutual Fund - Canadian Money Market Fund (FMV \$22,944)	22,944	31,155
	6,307,312	6,268,121
Closing cash account balance	134,905	265,539
Investments in First Nation Partnerships		
Investment in Kakina Economic Development Group GP (100 shares, 10% interest)	100	100
Investment in Kakina Economic Development Group LP (99,999 partnership units, 10% interest)	1	1
Niiwin Wendaanimok Construction LP (100 partnership units, 25% interest)	400,100	-
Niiwin Wendaanimok Management LP (100 partnership units, 25% interest)	75,100	100
Niiwin Wendaanimok Construction Inc. (100 Class A shares, 25% interest)	100	-
Niiwin Wendaanimok Management Inc. (100 Class A shares, 25% interest)	100	100
Shoal Lake #40 Camp Services Limited Partnership (999 partnership units)	99	-
Shoal Lake #40 Consulting Services Limited Partnership (999 partnership units)	99	-
Shoal Lake #40 Contractor Services Limited Partnership (999 partnership units)	99	-
Ontario First Nations Limited Partnership (1 partnership unit)	1	1
Ontario First Nations Limited Partnership (1 partnership unit)	1	1
Ontario First Nations Asset Management GP Corporation (1 common share)	1	1
Ontario First Nations Sovereign Wealth LP (1 common share, 0.65% interest)	1	1
	475,802	305
	6,918,019	6,533,965

11. Tangible capital assets

At March 31, 2023 the First Nation had under construction several new houses and a Daycare. At March 31, 2023, \$3,737,154 (2022 - \$1,966,410), and \$84,950 (2022 - \$84,950) respectively in costs had been capitalized to "construction in progress" on Schedule 1.

None of the assets were available for use at March 31, 2023, and no amortization was recorded for the year.

As at March 31, 2023 the First Nation had under construction housing projects. The First Nation estimates costs to complete this capital project at \$1,000,000 respectively.

Shoal Lake #40 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

12. Accounts payable and accruals

	2023	2022
Province of Manitoba	7,747,710	7,747,710
Trade payables	2,160,904	860,157
Canada Revenue Agency - employee deductions	1,534	919
	9,910,148	8,608,786

13. Deferred revenue

	<i>Balance March 31, 2022</i>	<i>Funding Received 2023</i>	<i>Revenue Recognized 2023</i>	<i>Balance March 31, 2023</i>
Federal				
Administration	581,373	1,303,027	1,393,148	491,252
Capital	1,350,989	641,926	1,522,217	470,698
Education	-	3,076,328	3,076,328	-
Economic Development	-	50,000	50,000	-
Health	1,070,493	2,147,040	2,998,845	218,688
Operations and Maintenance	98,241	611,686	709,927	-
Daycare	133,289	50,900	142,318	41,871
Social Services	210,463	170,740	340,232	40,971
	3,444,848	8,051,647	10,233,015	1,263,480
Provincial				
Administration	71,947	163,243	235,190	-
Economic Development	-	1,197,936	1,197,936	-
Education	-	699,045	699,045	-
Health	-	110,328	110,328	-
Operations and Maintenance	12,644	-	12,644	-
Daycare	-	734,168	734,168	-
Social Services	-	403,696	152,278	251,418
	84,591	3,308,416	3,141,589	251,418
Other				
Administration	447,964	2,663,595	2,136,040	975,517
Capital	-	64,984	57,034	7,950
Economic Development	-	700,000	700,000	-
Education	26,787	109,167	70,832	65,122
Health	6,955	336,684	313,570	30,069
Operations and Maintenance	129,949	112,982	242,931	-
Daycare	85,632	84,837	110,080	60,389
Social	4,867	86,064	61,842	29,089
	702,154	4,158,313	3,692,329	1,168,136
	4,231,593	15,518,376	17,066,933	2,683,034

Shoal Lake #40 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

14. Unexpended funding

Unexpended funding consists of funding received from Indigenous Services Canada in connection with the Band Operated School. It is expected that this funding will be spent within the next year. \$262,659 remained unexpended as at March 31, 2023 (2022 - \$267,687).

15. Repayable to funder

	2023	2022
Indigenous Services Canada - Jordan's Principle	153,867	153,867
Indigenous Services Canada - Tuition Agreements	146,416	146,416
First Nations and Inuit Health	65,963	65,963
Ministry of Health and Long-Term Care	40,337	40,337
Ministry of Education	37,231	37,231
Ontario Arts Council	13,727	13,727
	457,541	457,541

16. Debt

	2023	2022
Debt payable to the Province of Manitoba, non-interest bearing, unsecured, matures June 2049 (see Note 10).	1,300,000	1,350,000
Debt payable to the City of Winnipeg, non-interest bearing, unsecured, matures June 2049 (see Note 10).	1,300,000	1,350,000
First Nations Financial Management Board Loan, interest only payments currently at 6.00%, secured by each years OFNLP funding equalling \$913,318 in 2023.	794,740	-
CMHC Triplex loan, repayable in monthly instalments of \$2,010 plus interest at 1.72% per annum, secured by Ministerial guarantee, matures March 2045.	384,842	409,266
ISC Flood Claim loan, unsecured, repayable when flood claim is settled, interest free, maturing in March 2026 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	248,739	248,739
ISC Garden Island Land Claim loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2027 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	177,986	177,986
ISC Garden Island Land Claim loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2025 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	142,314	142,314
ISC Garden Island Land Claim loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2026 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	126,549	126,549
ISC Garden Island Land Claim loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2028 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	125,998	125,998

Shoal Lake #40 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

16. Debt (Continued from previous page)

	2023	2022
ISC Garden Island Land Claim loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2026 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	101,518	101,518
ISC Garden Island Land Claim loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2025 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	89,599	89,599
ISC Flood Claim loan, unsecured, repayable when flood claim is settled, interest free, maturing in March 2028 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	78,243	-
Vehicle loan payable, repayable in monthly instalments of \$1,749 including interest at 4.99% per annum, secured by specific vehicles with a net book value of \$68,220. Matures April 2026.	64,313	-
Vehicle loan payable, repayable in monthly instalments of \$1,706 including interest at 4.99% per annum, secured by specific vehicles with a net book value of \$66,560. Matures April 2026.	59,862	-
ISC Flood Claim loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2023 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	59,170	59,170
ISC Flooding Claim loan, unsecured, repayable when flood claim is settled, interest free, maturing in March 2025 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	51,714	51,714
ISC Garden Island Land Claim loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2027 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	47,618	-
ISC Garden Island Land Claim loan, unsecured, repayable when land claim is settled, interest free, maturing in March 2024 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	33,356	33,356
Vehicle loan payable, repayable in monthly instalments of \$2,714 including interest at 4.08% per annum, secured by specific vehicles with a net book value of \$86,474 (2022 - \$86,474). Matures June 2025.	39,579	69,899
ISC Flood Claim loan, unsecured, repayable when flood claim is settled, interest free, maturing in March 2027 unless the claim is still in negotiations at which time the term will be extended for up to another five years.	26,921	26,921
Vehicle loan payable repaid during the year.	-	2,495
	5,253,061	4,365,524

Shoal Lake #40 First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

16. Debt (Continued from previous page)

2023 **2022**

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

	Principal
2024	173,007
2025	149,571
2026	139,858
2027	101,349
2028	100,000
	<hr/> 663,785 <hr/>

17. Indigenous Services Canada Reconciliation

	2023	2022
Indigenous Services Canada revenue per Consolidated Financial Statements	7,992,444	9,089,549
Indigenous Services Canada revenue per funding confirmation	7,992,444	9,089,549

18. Government transfers

	2023	2022
Federal government transfers		
Indigenous Services Canada	7,992,444	9,089,549
Environmental and Climate Change Canada	-	60,000
Canada Mortgage and Housing Corporation	24,931	24,931
Total Federal	8,017,375	9,174,480
Provincial government transfers		
Ministry of Education	734,168	734,068
Ministry of Indigenous Affairs	108,086	356,580
Ministry of Community and Social Services	383,204	332,886
Ministry of Health and Long-Term Care	130,820	170,641
Ministry of Labour Training and Skills Development	672,045	120,865
Ministry of Transportation	1,197,936	-
Ministry of Child and Youth Services	27,000	-
Total Provincial	3,253,259	1,715,040
	11,270,634	10,889,520

19. Contingent liabilities

The First Nation has signed funding agreements with Indigenous Services Canada and other governmental bodies for funding of programs which state that the funding party may require surpluses to be returned. The total of such surpluses were indeterminable and the amount could be material. Payment or recoveries of prior year surpluses will be recorded in the year recovered or paid.

Shoal Lake #40 First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

20. Economic dependence

The First Nation receives 45% (2022 - 20%) of its revenue from Indigenous Services Canada ("ISC") as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

21. Budget information

The disclosed budget information has been approved by the Chief and Council of the Shoal Lake 40 First Nation.

22. Comparative figures

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

23. First Nations Financial Transparency Act

The First Nation is required by the First Nations Financial Transparency Act to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 29, 2023. As the audit report date is after this date, the First Nation is not in compliance with the requirement. The possible effect of this non-compliance has not yet been determined.

24. Restricted cash

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the First Nation established the following:

- A replacement reserve established by an annual allocation of \$3,705, to ensure replacement of buildings financed by CMHC.
- A subsidy surplus reserve established by retaining excess federal assistance payments received plus interest. Reserve funds may be used to meet future subsidy requirements of income test occupants, over and above the maximum federal assistance.

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal. As at March 31, 2023, the replacement reserve was underfunded and the underfunded portion at March 31, 2023 was \$11,115 (March 31, 2022 - \$7,410).

	2023	2022
Opening CMHC replacement reserve	7,410	3,705
Annual replacement reserve allocation	3,705	3,705
	11,115	7,410

25. 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.

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 First Nation manages its credit risk by Provides allowances for potentially uncollectible accounts receivable, consider credit ratings of counterparties etc.

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. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through interest rate swaps, which modify the repricing characteristics of financial assets and liabilities

The First Nation is exposed to interest rate risk with respect to cash, accounts receivable and accounts payable, all of which are expected to be realized within one year, and which are subject to floating interest rates ranging from 1% - 3% (2022 – 1% - 4%). The First Nation's loans all vary in rate and are disclosed in Note 16.

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation enters into transactions to purchase goods and services on credit; borrow funds from financial institutions or other creditors; lease office equipment from various creditors; etc., for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the First Nation's future net cash flows for the possibility of negative net cash flow.

Contractual maturities of long-term debt are disclosed in Note 16.

The First Nation manages the liquidity risk resulting from its accounts payable; long-term debt; by applying a technique of asset-liability management and by diversifying its sources of funding.

Shoal Lake #40 First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	Sewer and water infrastructure	Community buildings	Landfill	Band housing	CMHC Housing	Vehicles	Boats	Subtotal
Cost								
Balance, beginning of year	948,035	56,359,191	253,846	7,820,759	493,765	1,012,882	219,140	67,107,618
Purchase of tangible capital assets	-	895,207	-	-	-	309,235	-	1,204,442
Construction-in-progress	-	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	(1,841,159)	-	-	-	(1,841,159)
Assets put into use	-	-	-	-	-	-	-	-
Balance, end of year	948,035	57,254,398	253,846	5,979,600	493,765	1,322,117	219,140	66,470,901
Accumulated amortization								
Balance, beginning of year	672,550	5,791,855	222,115	4,626,621	39,502	622,703	121,817	12,097,163
Annual amortization	23,701	1,423,771	6,346	217,282	19,751	122,384	17,914	1,831,149
Accumulated amortization on disposals	-	-	-	(222,375)	-	-	-	(222,375)
Balance, end of year	696,251	7,215,626	228,461	4,621,528	59,253	745,087	139,731	13,705,937
Net book value of tangible capital assets	251,784	50,038,772	25,385	1,358,072	434,512	577,030	79,409	52,764,964
Net book value of tangible capital assets 2022	275,485	50,567,336	31,731	3,194,138	454,263	390,179	97,323	55,010,455

Shoal Lake #40 First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Subtotal</i>	<i>Equipment</i>	<i>Construction in progress</i>	<i>Waste Service / Freedom Road</i>	<i>2023</i>	<i>2022</i>
Cost						
Balance, beginning of year	67,107,618	879,394	2,051,360	3,380,633	73,419,005	47,707,902
Purchase of tangible capital assets	1,204,442	-	-	-	1,204,442	17,896,530
Construction-in-progress	-	-	1,770,744	-	1,770,744	(24,275,760)
Disposal of tangible capital assets	(1,841,159)	-	-	-	(1,841,159)	-
Assets put into use	-	-	-	-	-	32,090,333
Balance, end of year	66,470,901	879,394	3,822,104	3,380,633	74,553,032	73,419,005
Accumulated amortization						
Balance, beginning of year	12,097,163	296,703	-	401,254	12,795,120	10,759,385
Annual amortization	1,831,149	87,939	-	84,516	2,003,604	2,035,735
Accumulated amortization on disposals	(222,375)	-	-	-	(222,375)	-
Balance, end of year	13,705,937	384,642	-	485,770	14,576,349	12,795,120
Net book value of tangible capital assets	52,764,964	494,752	3,822,104	2,894,863	59,976,683	60,623,885
Net book value of tangible capital assets 2022	55,010,455	582,691	2,051,360	2,979,379	60,623,885	

Shoal Lake #40 First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Consolidated expenses by object			
Administrative expenses	2,642,196	1,753,119	809,298
Amortization	24,156	2,003,604	2,035,735
Bad debts	-	103,602	-
Bank charges and interest	14,000	12,103	13,726
Community development	424,281	393,778	834,473
Consulting fees	163,375	80,919	67,228
Contracting services	5,943,194	2,235,445	8,306,231
Education/school	444,164	362,759	405,953
Equipment purchase and rentals	1,326,398	251,863	314,799
Honoraria, salaries and benefits	5,164,379	5,044,587	4,208,819
Interest on debt	-	31,887	14,907
Materials and supplies	400,604	602,195	842,947
Office and utilities	1,012,678	998,667	573,326
Repairs and maintenance	1,027,617	824,978	523,235
Social assistance	2,000	330,041	179,714
Student expenses	420,000	374,693	427,430
Training and travel	1,144,261	1,145,037	373,623
	20,153,303	16,549,277	19,931,444

Shoal Lake 40 First Nation
Schedule 3 - Summary of Consolidated Schedules of Revenue and Expenses by Segment
For the year ended March 31, 2023

	Schedule #	ISC Revenue	Other Revenue	Deferred/ Unexpended Revenue	Total Revenue	Total Expenses	Transfers From (To)	Current Surplus (Deficit)
Administration	4	1,268,754	1,187,169	(420,612)	2,035,311	2,612,881	(547,034)	(1,124,605)
Capital	5	616,995	89,916	927,465	1,634,376	3,082,839	1,588,888	140,425
Economic Development	6	50,000	1,897,936	-	1,947,936	1,433,076	(679,000)	(164,140)
Education	7	3,076,329	895,050	(33,306)	3,938,073	2,931,138	(383,329)	623,606
Health	8	2,147,040	447,012	828,693	3,422,745	3,254,933	19,932	187,744
Operations and Maintenance	9	611,686	112,982	240,834	965,502	1,730,765	799,258	33,995
Daycare	10	50,900	819,005	116,661	986,566	869,775	-	116,791
Social Services	11	170,740	489,760	(106,148)	554,352	632,305	-	(77,954)
Ontario First Nations Limited Partnership	12	-	800,279	-	800,279	1,565	(798,715)	(1)
Total		7,992,444	6,739,109	1,553,587	16,285,140	16,549,277	-	(264,139)

The accompanying notes are integral part of these financial statements

Shoal Lake #40 First Nation
Administration

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Revenue			
Indigenous Services Canada	1,208,754	1,268,754	1,879,510
Environmental and Climate Change Canada	-	-	60,000
Indigenous Services Canada - Trust	-	916	325
Ministry of Indigenous Affairs	155,000	108,086	356,580
Grand Council Treaty #3	996,145	1,008,482	621,263
Other revenue	917,085	662,682	131,080
Investment income	396,395	372,715	633,969
Interest income	-	222,769	-
Shooniyaa Wa-Biitong	-	141,660	-
Kenora Chiefs Advisory	-	116,786	25,000
Debt forgiveness	-	100,000	100,000
HST and Sales Tax rebates	67,357	33,357	101,028
Four Winds	91,000	31,000	60,000
City of Winnipeg	4,000	4,000	-
Ontario Air Ambulance	3,500	3,500	3,500
Second Harvest Canada	-	-	45,000
Aboriginal Strategies Limited Partnership	-	-	3,000
Bimose Tribal Council	-	-	7,071
Deferred revenue - prior year (Note 13)	934,376	1,101,284	922,802
Deferred revenue - current year (Note 13)	-	(1,521,896)	(1,101,284)
	4,773,612	3,654,095	3,848,844

Continued on next page

Shoal Lake #40 First Nation
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 <i>Budget</i> <i>(Note 21)</i>	2023	2022
<i>(Continued from previous page)</i>	4,773,612	3,654,095	3,848,844
Expenses			
Administration (recovery)	(597,190)	(654,731)	(835,026)
Bad debts	-	103,602	-
Bank charges and interest	13,500	11,841	14,342
Bursary expense	4,000	3,990	1,500
COVID enhancements	280	280	284,007
Community distributions	163,000	146,322	154,661
Community donations	-	1,050	-
Community events	107,541	108,093	132,995
Community safety	23,340	24,210	234,995
Consulting fees	10,000	66,387	67,228
Contracted services	5,000	5,000	-
Culture and recreation	2,000	-	-
Economic development	-	(75,000)	75,000
Elders support	135,000	141,940	131,950
Equipment purchases	1,030,378	1,867	55,173
Equipment rentals	-	300	-
Honouraria - Elders	-	(550)	18,337
Honourarium	74,050	97,450	61,100
Insurance	20,000	25,929	17,341
Interest on long-term debt	-	31,887	(832)
Internet	-	9,655	-
Materials and supplies	148,832	172,227	147,595
Meeting costs	315,856	185,711	32,642
Miscellaneous	37,500	4,442	3,805
Office	278	1,444	-
Professional fees	1,111,947	538,931	277,414
Program expense	-	24,717	112,711
Project coordination	105,400	105,000	298,618
Repairs and maintenance	6,761	3,276	49,912
Salaries and benefits	1,218,553	1,063,077	1,033,718
Supplies	55,953	73,778	175,299
Telephone	38,000	52,142	38,600
Training	17,000	123,860	-
Travel	94,767	107,295	39,807
Travel - Chief and Council	98,494	82,785	33,496
Utilities	7,724	14,069	-
Water delivery	-	-	73,500
Website development	11,000	10,605	10,792
Youth activities	-	-	25,630
	4,258,964	2,612,881	2,766,310
Surplus before other income and transfers	514,648	1,041,214	1,082,534

Continued on next page

Shoal Lake #40 First Nation
Administration

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Surplus before other income and transfers <i>(Continued from previous page)</i>	514,648	1,041,214	1,082,534
Other income (expense)			
Gain (loss) on disposal of tangible capital assets	-	(1,618,784)	-
Surplus (deficit) before transfers	514,648	(577,570)	1,082,534
Transfers between segments	(209,760)	(547,035)	22,707
Surplus (deficit)	304,888	(1,124,605)	1,105,241

Shoal Lake #40 First Nation
Capital

Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Revenue			
Indigenous Services Canada	616,995	616,995	1,357,024
Canada Mortgage and Housing Corporation - Subsidy	24,931	24,931	24,931
Shibogama First Nations Council	-	-	17,752,945
Other revenue	-	64,984	1,721
Kekekoziibii Development Corporation	700,000	-	-
Deferred revenue - prior year (Note 13)	890,620	1,350,989	15,900,598
Deferred revenue prior year - COVID (Note 13)	-	-	83,730
Deferred revenue - current year (Note 13)	-	(423,523)	(1,350,989)
	2,232,546	1,634,376	33,769,960
Expenses			
Administration	2,275	2,275	2,275
Amortization	24,156	2,003,604	2,028,506
Contracted services	2,326,004	-	7,747,710
Equipment purchases	-	1,182	-
Equipment rentals	-	102,603	70,684
Insurance	2,800	6,838	3,138
Interest on long-term debt	-	-	8,004
Materials and supplies	-	107,885	-
Miscellaneous	4,420	57,033	-
Professional fees	100,720	60,675	8,400
Repairs and maintenance	404,200	429,041	117,780
Salaries and benefits	-	225,204	118,753
Supplies	-	80,034	16,293
Travel	-	6,465	102
	2,864,575	3,082,839	10,121,645
Surplus (deficit) before transfers	(632,029)	(1,448,463)	23,648,315
Transfers between segments	631,994	1,588,888	56,637
Surplus (deficit)	(35)	140,425	23,704,952

Shoal Lake #40 First Nation
Economic Development
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Revenue			
Indigenous Services Canada	50,000	50,000	261,961
Ministry of Transportation	-	1,197,936	-
Kekekoziibii Development Corporation	-	700,000	-
Deferred revenue - prior year (Note 13)	-	-	13,727
Repayment of funding	-	-	(13,727)
	50,000	1,947,936	261,961
Expenses			
Administration	-	92,000	-
Business development	200,000	160,176	-
Professional fees	-	1,105,936	-
Salaries and benefits	71,195	74,964	66,923
Training	-	-	150
Travel	-	-	455
	271,195	1,433,076	67,528
Surplus (deficit) before transfers	(221,195)	514,860	194,433
Transfers between segments	21,000	(679,000)	(82,472)
Surplus (deficit)	(200,195)	(164,140)	111,961

Shoal Lake #40 First Nation
Education

Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Revenue			
Indigenous Services Canada	2,954,044	3,076,329	2,721,461
Ministry of Labour, Training and Skills Development	-	672,045	120,865
Bimose Tribal Council	100,000	100,000	106,000
Grand Council Treaty #3	86,839	86,839	38,268
Ministry of Child and Youth Services	21,600	27,000	-
Four Winds	-	9,167	-
Unexpended funding - prior year (Note 14)	267,867	267,687	267,687
Unexpended funding - current year (Note 14)	-	(262,659)	(267,687)
Deferred revenue - prior year (Note 13)	26,787	26,787	66,618
Deferred revenue - current year (Note 13)	-	(65,122)	(26,787)
	3,457,137	3,938,073	3,026,425
Expenses			
Administration	230,663	183,891	148,789
Advertising	10,000	1,178	-
Culture and recreation	-	10,800	-
Equipment purchases	109,500	39,792	3,140
Extracurricular activities	25,000	(1,434)	-
Field trips	45,000	14,348	6,050
Honourarium	1,000	350	5,900
Insurance	6,500	5,067	5,067
Interest on long-term debt	-	-	6,903
Materials and supplies	108,508	70,569	8,004
Meeting costs	16,000	1,606	2,282
Miscellaneous	160,000	10,470	-
Oil and gas	6,000	6,886	2,228
Professional development	70,000	25,947	74,211
Professional fees	257,687	90,056	65,000
Program expense	10,000	17,900	39,950
Rental expense	60,000	15,000	-
Repairs and maintenance	5,000	1,565	4,599
Salaries and benefits	1,242,208	1,076,081	803,280
Student expenses	420,000	374,693	427,431
Supplies	157,000	179,541	116,286
Teacher replacements	27,400	30,260	12,385
Telephone	10,000	7,766	10,521
Training	502,000	275,441	339
Travel	121,500	137,062	40,804
Tuition	432,164	356,303	378,824
	4,033,130	2,931,138	2,161,993
Surplus (deficit) before transfers	(575,993)	1,006,935	864,432
Transfers between segments	(383,329)	(383,329)	(221,448)
Surplus (deficit)	(959,322)	623,606	642,984

Shoal Lake #40 First Nation Health

Schedule 8 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Revenue			
Indigenous Services Canada	2,133,873	2,147,040	1,992,886
Kenora Chiefs Advisory	324,594	336,684	292,038
Ministry of Health and Long-Term Care	110,328	110,328	110,328
Other revenue	-	-	4,180
Deferred revenue - prior year (Note 13)	1,083,081	1,016,442	184,048
Deferred revenue prior year - COVID (Note 13)	-	61,006	119,401
Deferred revenue - current year (Note 13)	-	(248,755)	(1,016,442)
Deferred revenue - current year - COVID (Note 13)	-	-	(61,006)
Repayment of funding	-	-	(40,337)
	3,651,876	3,422,745	1,585,096
Expenses			
Administration	252,948	252,201	248,221
Amortization	-	-	7,229
COVID enhancements	-	62,660	-
Contracted services	80,000	33,745	32,400
Culture and recreation	89,385	92,878	81,941
Economic development	-	-	1,255
Equipment purchases	25,000	55,839	54,361
Equipment rentals	-	1,650	-
Honourarium	43,000	13,600	41,250
Insurance	7,262	10,493	11,611
Materials and supplies	232,307	248,274	69,678
Medical/Diabetes initiative	-	993	250
Meeting costs	-	41,051	-
Miscellaneous	65,000	26,491	30,819
Office	17,500	17,500	17,500
Professional development	28,000	300	700
Professional fees	164,000	73,824	17,201
Program expense	207,275	175,870	103,994
Rental expense	39,000	10,800	-
Repairs and maintenance	246,956	2,255	53,202
Salaries and benefits	1,486,646	1,407,123	873,784
Short term respite	-	10,537	13,205
Social assistance	2,000	579	600
Special projects	48,578	92,466	12,881
Supplies	76,041	168,371	166,184
Telephone	44,680	25,322	5,039
Training	35,000	56,070	-
Travel	164,000	257,478	149,678
User fees	11,500	11,500	10,000
Utilities	11,514	8,121	8,461
Womens workshops/teachings	145,000	94,476	101,030
Youth activities	8,000	2,466	-
	3,530,592	3,254,933	2,112,474
Surplus (deficit) before transfers	121,284	167,812	(527,378)
Transfers between segments	(6,240)	19,932	(10,000)
Surplus (deficit)	115,044	187,744	(537,378)

Shoal Lake #40 First Nation
Operations and Maintenance
Schedule 9 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Revenue			
Indigenous Services Canada	2,563,593	611,686	659,521
Ministry of Transportation	378,269	-	-
Aboriginal Strategies Limited Partnership	53,982	53,982	-
User fees	41,500	41,500	48,500
Rental revenue	17,500	17,500	60,000
Other revenue	260,846	-	9,000
Bimose Tribal Council	-	-	500
Deferred revenue - prior year (Note 13)	240,834	240,834	254,544
Deferred revenue - current year (Note 13)	-	-	(240,834)
	3,556,524	965,502	791,231
Expenses			
Administration	16,480	14,231	24,172
Consulting fees	153,375	14,532	-
Contracted services	1,641,900	88,341	135,067
Equipment rentals	42,500	20,320	53,771
Field trips	-	-	10,781
Insurance	112,045	195,494	92,266
Materials and supplies	45,260	20,060	23,564
Miscellaneous	245,820	-	-
Oil and gas	36,000	-	-
Professional fees	202,359	142,352	-
Program expense	330,000	-	6,700
Repairs and maintenance	345,700	377,787	279,993
Salaries and benefits	428,665	387,449	289,168
Supplies	39,000	27,799	254,792
Telephone	4,000	121,621	9,426
Training	-	-	1,418
Travel	9,500	16,915	12,785
User fees	12,000	12,000	12,000
Utilities	400,255	291,864	263,614
	4,064,859	1,730,765	1,469,517
Surplus (deficit) before transfers	(508,335)	(765,263)	(678,286)
Transfers between segments	717,381	799,258	678,286
Surplus (deficit)	209,046	33,995	-

Shoal Lake #40 First Nation
Daycare

Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Revenue			
Indigenous Services Canada	50,900	50,900	50,900
Ministry of Education	734,068	734,168	734,068
Shooniyaa Wa-Biitong	81,837	81,837	81,837
Other revenue	3,000	3,000	-
Deferred revenue - prior year (Note 13)	205,852	218,921	152,461
Deferred revenue - current year (Note 13)	-	(102,260)	(218,921)
Repayment of funding	-	-	(37,231)
	1,075,657	986,566	763,114
Expenses			
Administration	59,676	81,690	57,224
Bank charges and interest	500	42	42
COVID enhancements	11,669	-	-
Capital purchases	10,020	2,510	9,392
Culture and recreation	12,000	10,826	2,316
Equipment purchases	10,000	-	8,277
Field trips	15,000	22,875	17,619
Food and beverage	10,000	7,930	4,664
Insurance	8,500	9,177	10,385
Materials and supplies	5,000	10,417	5,567
Office	18,000	18,000	18,000
Professional fees	5,000	-	3,831
Program expense	90,000	10,243	8,270
Repairs and maintenance	14,000	9,470	16,429
Salaries and benefits	458,593	471,496	485,111
Supplies	61,837	128,383	35,995
Telephone	5,500	3,986	6,303
Training	-	1,200	10,112
Travel	62,000	63,298	59,741
Utilities	15,000	18,232	11,344
	872,295	869,775	770,622
Surplus (deficit)	203,362	116,791	(7,508)

Shoal Lake #40 First Nation
Social Services
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Revenue			
Indigenous Services Canada	131,657	170,740	166,287
Ministry of Community and Social Services	184,593	383,204	332,886
Ministry of Health and Long-Term Care	-	20,492	60,313
Kenora Chiefs Advisory	-	84,864	59,203
Other revenue	-	1,200	-
Deferred revenue - prior year (Note 13)	169,267	215,330	57,996
Deferred revenue - current year (Note 13)	-	(321,478)	(215,330)
	485,517	554,352	461,355
Expenses			
Administration	51,700	1,006	57,620
Bank charges and interest	-	219	174
Miscellaneous	-	44,265	-
Office	2,500	-	-
Professional fees	-	4,120	6,328
Program expense	-	27,300	1,730
Purchase of services	19,200	23,480	-
Rental expense	-	-	60,000
Repairs and maintenance	5,000	1,584	1,320
Salaries and benefits	128,520	165,405	127,485
Social assistance	-	329,463	179,114
Supplies	10,773	18,296	2,847
Training	10,000	6,123	10,877
Travel	30,000	11,044	13,860
	257,693	632,305	461,355
Surplus (deficit)	227,824	(77,953)	-

Shoal Lake #40 First Nation
Ontario First Nations Limited Partnership
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 21)	2023	2022
Revenue			
Ontario First Nations Limited Partnership	775,087	800,279	565,092
Expenses			
Meeting costs	-	1,565	-
Surplus (deficit) before transfers	775,087	798,714	565,092
Transfers between segments	(775,087)	(798,715)	(443,710)
Surplus (deficit)	-	(1)	121,382