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# Consolidated financial statements of Norway House Cree Nation

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March 31, 2023

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# Management's Responsibility for Financial Reporting

Norway House Cree Nation's (the "Entity") management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards. The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management is required.

In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Entity's Chief and Council is composed of elected officials who are not employees of the Entity. Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities. Chief and Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. Chief and Council is also responsible for recommending the appointment of the Entity's external auditors.

Deloitte LLP, an independent firm of chartered professional accountants, is appointed by 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 Chief and Council and management to discuss their audit findings.



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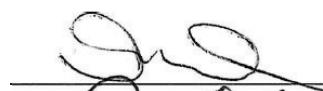
Chief

Norway House, Manitoba



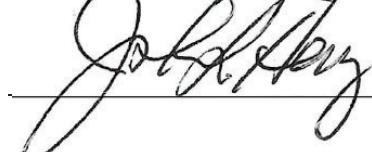
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Councillor



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Councillor



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Councillor

## Independent Auditor's Report

To Chief and Council of  
Norway House Cree Nation

### Opinion

We have audited the consolidated financial statements of Norway House Cree Nation (the "Entity"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, change in accumulated surplus, changes in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, and its results of operations, its remeasurement gains and losses, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. ("Canadian GAAS"). 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 Entity 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.

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

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

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

Those charged with governance are responsible for overseeing the Entity'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 GAAS 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 GAAS, 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the 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.

*Deloitte LLP*

Chartered Professional Accountants  
Winnipeg, Manitoba  
July 28, 2023

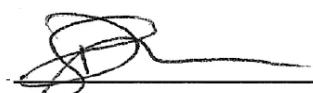
**Norway House Cree Nation**  
**Consolidated statement of financial position**  
As at March 31, 2023

	Notes	2023 \$	2022 \$
<b>Financial assets</b>			
Cash and cash equivalents		<b>46,558,277</b>	17,392,742
Accounts receivable	4	<b>10,409,278</b>	10,383,584
Cash held in trust	5	<b>715,155</b>	134,241
Portfolio investments	6	<b>75,000</b>	7,292,500
Investments in Government Business Partnerships	7	<b>3,703,937</b>	2,940,451
		<b>61,461,647</b>	38,143,518
<b>Liabilities</b>			
Accounts payable and accrued liabilities	8	<b>21,670,515</b>	24,553,856
Long-term debt	9	<b>61,084,867</b>	53,189,188
Deferred revenue	10	<b>38,520,240</b>	23,530,684
		<b>121,275,622</b>	101,273,728
Net debt		<b>(59,813,975)</b>	(63,130,210)
<b>Non-financial assets</b>			
Tangible capital assets	11	<b>343,935,661</b>	290,818,548
Inventory	12	<b>634,663</b>	880,505
Deposits and prepaid expenses		<b>8,425,007</b>	8,708,794
		<b>352,995,331</b>	300,407,847
<b>Accumulated surplus</b>	18	<b>293,181,356</b>	237,277,637
Contingencies	19		

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

Approved on behalf of the Council:

, Chief

, Councillor

, Councillor

, Councillor

**Norway House Cree Nation**  
**Consolidated statement of operations**  
Year ended March 31, 2023

Notes	2023		2022
	Budget	\$	\$
	(Note 22)		
<b>Funding revenue:</b>			
Indigenous Services Canada (ISC)	<b>114,316,000</b>	<b>129,058,974</b>	111,528,257
Province of Manitoba	<b>3,169,000</b>	<b>2,776,181</b>	3,091,395
Keenanow Trust	<b>4,941,000</b>	<b>2,300,072</b>	4,819,652
Canada Mortgage and Housing Corporation	<b>275,000</b>	<b>2,239,979</b>	268,000
Manitoba Keewatinowi Okimakanak (MKO)	<b>2,396,000</b>	<b>2,077,294</b>	2,337,616
Assembly of Manitoba Chiefs	<b>829,000</b>	<b>731,880</b>	809,046
Other	<b>185,000</b>	<b>349,454</b>	180,450
	<b>126,111,000</b>	<b>139,533,834</b>	123,034,416
<b>Own source revenue:</b>			
Video lottery terminal (VLT)	<b>15,815,000</b>	<b>25,653,764</b>	15,429,038
Other	<b>8,880,000</b>	<b>9,735,520</b>	8,661,202
Pharmacy sales	<b>3,990,000</b>	<b>4,338,132</b>	3,892,713
Rental income	<b>3,209,000</b>	<b>4,198,304</b>	3,130,832
Construction	<b>1,489,000</b>	<b>3,295,290</b>	1,452,938
Bingo events	<b>3,427,000</b>	<b>2,751,872</b>	3,343,975
JNR JV Proceeds	<b>2,140,000</b>	<b>2,342,307</b>	2,087,623
	<b>38,950,000</b>	<b>52,315,189</b>	37,998,321
Total revenue	<b>165,061,000</b>	<b>191,849,023</b>	161,032,737
<b>Funded expenditures:</b>			
Education	<b>36,003,000</b>	<b>38,382,155</b>	35,126,127
Band support	<b>13,084,000</b>	<b>16,546,687</b>	12,770,502
Health services	<b>15,552,000</b>	<b>14,514,852</b>	15,175,733
Social services	<b>14,540,000</b>	<b>14,270,754</b>	14,187,050
Public works	<b>9,069,000</b>	<b>10,045,378</b>	8,850,743
Housing	<b>5,244,000</b>	<b>7,646,650</b>	5,115,319
Pinaow Wachi	<b>3,332,000</b>	<b>4,400,034</b>	3,250,765
Health Centre of Excellence	<b>3,748,000</b>	<b>4,325,805</b>	3,659,229
CMHC	<b>3,022,000</b>	<b>3,270,013</b>	2,949,275
Emergency services	<b>1,500,000</b>	<b>1,714,539</b>	1,463,930
Prevention	-	<b>1,372,725</b>	—
Keenanow Trust Secretariat	<b>179,000</b>	<b>1,331,761</b>	173,507
Employment and training	<b>1,373,000</b>	<b>1,318,873</b>	1,341,890
Assisted living	<b>406,000</b>	<b>1,002,046</b>	395,469
Safety officers program	<b>694,000</b>	<b>598,185</b>	676,894
Restorative justice	<b>157,000</b>	<b>170,480</b>	152,654
Youth	<b>212,000</b>	<b>122,988</b>	207,050
	<b>108,115,000</b>	<b>121,033,925</b>	105,496,137
<b>Own source expenditures:</b>			
VLT operations	<b>13,425,000</b>	<b>21,896,355</b>	13,098,947
Playgreen Development Corporation	<b>10,209,000</b>	<b>10,508,692</b>	9,959,318
Enterprises	<b>8,352,000</b>	<b>9,882,064</b>	8,149,357
Parks, recreation and multi-plex	<b>2,509,000</b>	<b>4,375,210</b>	2,450,268
Muchipunowin	<b>3,422,000</b>	<b>3,438,900</b>	3,337,812
KSIW	<b>2,150,000</b>	<b>2,672,353</b>	2,099,321
Broadband	<b>1,456,000</b>	<b>2,520,036</b>	1,420,593
Gaming Commission	<b>178,000</b>	<b>128,438</b>	173,588
	<b>41,701,000</b>	<b>55,422,048</b>	40,689,204
Total expenditures	<b>149,816,000</b>	<b>176,455,973</b>	146,185,341
<b>Surplus before other capital contributions</b>			
ISC Health Centre of Excellence	<b>15,245,000</b>	<b>15,393,050</b>	14,847,396
ISC COVID domes	<b>38,093,000</b>	<b>38,278,954</b>	47,700,721
<b>Surplus</b>	<b>2,292,000</b>	<b>2,231,715</b>	2,431,174
	<b>55,630,000</b>	<b>55,903,719</b>	64,979,291

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

**Norway House Cree Nation****Consolidated statement of change in accumulated surplus**

Year ended March 31, 2023

	Notes	2023	2022
		\$	\$
Accumulated surplus, beginning of year	18	<b>237,277,637</b>	172,298,346
Surplus		<b>55,903,719</b>	64,979,291
<b>Accumulated surplus, end of year</b>		<b>293,181,356</b>	<b>237,277,637</b>

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

**Norway House Cree Nation**  
**Consolidated statement of changes in net debt**  
Year ended March 31, 2023

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	<b>2023</b>	2022
	\$	\$
<b>Surplus</b>		
Acquisition of tangible capital assets	<b>55,903,719</b>	64,979,291
Proceeds on disposal of tangible capital assets	<b>(69,405,314)</b>	(79,261,999)
Loss (gain) on disposal of tangible capital assets	<b>62,863</b>	1,495,189
Amortization of tangible capital assets	<b>597,535</b>	(78,735)
	<b>15,627,803</b>	14,305,548
	<b>2,786,606</b>	1,439,294
Change in inventory	<b>245,842</b>	292,865
Change in deposits and prepaid expenses	<b>283,787</b>	8,390,457
	<b>529,629</b>	8,683,322
Decrease in net debt	<b>3,316,235</b>	10,122,616
Net debt, beginning of year	<b>(63,130,210)</b>	(73,252,826)
<b>Net debt, end of year</b>	<b>(59,813,975)</b>	(63,130,210)

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

**Norway House Cree Nation**  
**Consolidated statement of cash flows**  
Year ended March 31, 2023

	<b>2023</b> \$	2022 \$
<b>Operating activities</b>		
Surplus	<b>55,903,719</b>	64,979,291
Adjustments for non-cash items		
Amortization of capital assets – general account	<b>13,073,460</b>	11,750,474
Amortization of capital assets – enterprises	<b>2,554,343</b>	2,555,074
Loss (gain) on disposal of tangible assets	<b>597,535</b>	(78,735)
Loss (income) from Government Business Partnerships	<b>75,370</b>	(594,378)
	<b>72,204,427</b>	78,611,726
Changes in non-cash working capital		
Accounts receivable	<b>(25,694)</b>	(28,779)
Deposits and prepaid expenses	<b>283,787</b>	8,390,457
Inventory	<b>245,842</b>	292,865
Accounts payable and accrued liabilities	<b>(2,883,341)</b>	(1,059,346)
Deferred revenue	<b>14,989,556</b>	(2,762,204)
	<b>84,814,577</b>	83,444,719
<b>Financing activities</b>		
Long-term debt proceeds	<b>11,983,040</b>	625,583
Long-term debt repayments	<b>(4,087,361)</b>	(6,216,647)
	<b>7,895,679</b>	(5,591,064)
<b>Investing activities</b>		
Acquisition of tangible capital assets	<b>(69,405,314)</b>	(73,835,160)
Proceeds on disposal of tangible capital assets	<b>62,863</b>	1,495,189
Acquisition of portfolio investments	<b>(75,000)</b>	(44,707,000)
Proceeds from maturity of portfolio investments	<b>7,292,500</b>	37,489,500
Investments in Government Business Partnerships	<b>(962,645)</b>	(2,467,724)
Distributions from Government Business Partnerships	<b>123,789</b>	121,651
	<b>(62,963,807)</b>	(81,903,544)
Net increase (decrease) in cash and cash equivalents	<b>29,746,449</b>	(4,049,889)
Cash and cash equivalents, beginning of year	<b>17,526,983</b>	21,576,872
<b>Cash and cash equivalents, end of year</b>	<b>47,273,432</b>	17,526,983
<b>Cash and cash equivalents consist of:</b>		
Cash and cash equivalents	<b>46,558,277</b>	17,392,742
Cash held in trust	<b>715,155</b>	134,241
	<b>47,273,432</b>	17,526,983

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

# **Norway House Cree Nation**

## **Notes to the consolidated financial statements**

March 31, 2023

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### **1. Nature of entity**

Norway House Cree Nation (the “Entity” or the “First Nation”) is a non-profit and non-taxable entity and is engaged in the social, cultural, educational and economic development of the First Nation citizens of Norway House Cree Nation at Norway House, Manitoba.

### **2. Summary of significant accounting policies**

#### *Basis of accounting*

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (“PSAS”) and include the following significant accounting policies:

#### *Reporting entity*

The reporting entity includes the Entity’s government and all related entities that are either owned or controlled by the Entity. Control is defined as the power to govern the financial and operating policies of another with expected benefits or the risk of loss to the government from the other organizations’ activities. Control exists regardless of whether the government chooses to exercise its power to govern so long as it has the ability to govern. Control must exist at the financial statement date, without the need to amend agreements.

#### *Principles of consolidation*

##### *Consolidated entities*

This method combines the accounts of distinct organizations. It requires uniform accounting policies for the organizations. Inter-organizational balances and transactions are eliminated under this method. This method reports the organizations as if they were one organization. The other government organizations that were consolidated are the following:

Unincorporated departments including:

Norway House Cree Nation CMHC Housing Projects (“CMHC”)

Norway House Cree Nation Gaming Commission (“Gaming Commission”)

Unincorporated entities including:

York Boat Inn

Keenanow Trust Secretariat

York Boat Diner

Kinosao Sipi Muchipinowin Program  
 (“Muchipunowin”)

Incorporated entities including:

Kinosao Sipi Business Development  
 Corporation (“KSBDC”)

Molson Lake Lodge 1978 Ltd.

4015029 Manitoba Ltd. (Molson Lake Lodge  
 Parent Company)

4744757 Manitoba Ltd. (KSIW – 333  
 Maryland)

NHCN Broadband Inc.

Pinaow Wachi Inc.

NHCN Business Centre Inc.

Norway House Pharmacy Ltd.

Jean Folster Place Inc.

Norway House Pharmacy LP

(“Pharmacy”)

NHCN Health Centre of Excellence Ltd.  
 (“HCE”)

Playgreen Development Corporation  
 (“PDC”)

NHCN Land Corporation  
 10058460 Manitoba Ltd. (Real Estate  
 Holding Company)

7133805 Manitoba Ltd. (Indigus  
 Pharmacy LP Parent Company)

**2. Summary of significant accounting policies (continued)***Principles of consolidation (continued)**Government business partnerships*

The Entity holds an investment in the Bison Container Homes LLP, Bison Container Homes GP Ltd. ("Bison Container Homes"), Kici Sipi Communications LP, Kici Sipi Communications Ltd. ("Kici Sipi Communications") and Tower Camp. The Entity has determined that these investments meet the definition of a business partnership and has accordingly accounted for these entities using the modified equity method. Under the modified equity method, the contributions to the partnerships are recognized as an investment within the consolidated statement of financial position and the Entity's proportionate share of the partnerships' net surplus/deficit is recognized in the consolidated statement of operations.

*Measurement uncertainty*

The preparation of consolidated financial statements in accordance with Canadian public accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures. Actual results could differ from these estimates.

Accounts receivable 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.

Capitalization of labour costs is based on an estimate of the proportionate share of direct labour and overhead labour.

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

Asset retirement obligations are estimated based on the present value of the required cost at retirement of specific assets.

*Tangible capital assets*

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services. Certain assets which have historical or cultural value, including works of art, historical documents and historical or cultural artifacts, are not recognized as tangible capital assets.

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	20 years
Buildings	30 years
Leasehold improvements	Term of the lease
Vehicles and equipment	5 – 10 years
Computer hardware and software	5 years
Housing	20 years
Infrastructure	30 years

In the year of acquisition, one-half of the applicable rate is applied.

## **2. Summary of significant accounting policies (continued)**

### *Construction in progress*

Assets under construction are not amortized until the asset is available for use. At completion, the construction costs are closed out to the appropriate asset classification and amortized over its estimated useful life.

### *Revenue recognition*

#### *Government transfers*

Government transfers (revenues from non-exchange transactions) are recognized as revenues when the transfer is authorized, any eligibility criteria are met and reasonable estimates of the amounts can be made. Transfers received where there is a stipulation that gives rise to an obligation that meets the definition of a liability are deferred and recognized as revenue as the stipulations are met. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria have been met.

#### *Non-government funding*

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

#### *Other revenue*

Other income, primarily including sales of gas, VLTs, tobacco and fees for service, are recognized upon transfer of title of the product or upon performance of the service and when collectability is reasonably assured.

### *Inventory*

Inventory is valued at the lower of cost or net realizable value determined by the first-in, first-out method. Inventory consists of pharmaceuticals, aggregates, bingo paper and supplies.

### *Cash and cash equivalents*

Cash and cash equivalents include cash on hand and balances with the banks.

### *Pension plans*

The Entity maintains a defined contribution pension plan for its personnel. Expenditures for this plan are equal to the Entity's required contribution for the year.

### *Asset classification*

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

## **2. Summary of significant accounting policies (continued)**

### *Investments in government business partnerships*

Government business partnerships that are not dependent on the Entity for their continued operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent the business entity accounting principles are not adjusted to conform to those of the Entity. Thus, the Entity's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post-acquisition earnings and decreased by post acquisition losses and distributions received. The investments that have been disclosed along with the services they provide are as follows:

#### *Kici Sipi Communications*

Investment that aims to extend and/or enhance high-capacity broadband infrastructure in rural and remote communities to provide access to quality broadband services to anchor institutions and households so that they can participate in the digital economy.

#### *Tower Camp*

Partnership with Cobra Construction to provide accommodations in remote Northern Manitoba locations

#### *Bison Container Homes*

Partnership with Cobra Construction to supply innovative modular homes to remote Northern communities.

#### *Program surpluses*

Programs funded by government agencies may be subject to recovery by the contributing agencies in accordance with funding agreements.

#### *Asset retirement obligations*

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at management's best estimate as the present value of the estimated future cash flows required to settle the retirement obligation. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

#### *Segments*

Norway House Cree Nation is a diversified government institution that provides a wide range of services to its members, including education, infrastructure maintenance, and medical services, among other services.

Services are provided by departments and their activities are reported in these funds. The departments that have been separately disclosed along with the services they provide are as follows:

**2. Summary of significant accounting policies (continued)**

*Segments (continued)*

*Assisted Living*

Department that provides services to elementary and secondary students. The department also supports post-secondary students by providing funds for tuition fees, books and living allowances.

*Band support*

Department that oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance of Chief and Council.

*Broadband*

Organization that provides high speed internet services in Norway House, Manitoba and the surrounding areas.

*CMHC*

Division of the Norway House Cree Nation that administers housing projects which are partially funded by operating agreements with CMHC.

*Education*

Department that provides services to elementary and secondary students. The department also supports post-secondary students by providing funds for tuition fees, books and living allowances.

*Emergency services*

Provide timely and safe response, medical assessment and treatment, and medical transport services in emergencies to the community of Norway House Cree Nation.

*Employment and training*

Department that provides funding to support development and enhancement of essential employability skills, training for high-demand jobs, job finding, and programs for youth and people with disabilities.

*Gaming Commission*

Department responsible for the operation of licensed gaming activities.

*Health and Wellness Foundation*

Philanthropic entity dedicated to advancing healthcare and well-being at the Health Centre for Excellence and in the community.

*Health Centre of Excellence*

Organization that provides integrated medical services to the Norway House Cree Nation community and addresses social, physical, mental and spiritual needs of community.

## **Norway House Cree Nation**

### **Notes to the consolidated financial statements**

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## **2. Summary of significant accounting policies (continued)**

### *Segments (continued)*

#### *Health services*

Department provides a diverse bundle of services directed towards the well-being of members including activities such as medical transportation, home support services, prenatal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

#### *Housing*

Department in charge of all activities related with first nation housing construction and administration, rental units and Residential Repair Assistance Programs (RRAP).

#### *Keenanow Trust Secretariat*

Organization is an unincorporated, non-profit, non-taxable entity responsible for the administration of funds received from Keenanow Trust. The trust was established to promote social welfare, civic improvement, recreation and the economic, spiritual and cultural welfare of Norway House Cree Nation and its members.

#### *4744757 Manitoba Ltd. ("KSIW")*

Entity that operates the rental property located at 333 Maryland in Winnipeg, Manitoba.

#### *Kinosao Sipi Muchipunowin Program*

Unincorporated entity that operates radio bingo events in Norway House, Manitoba.

#### *Parks, Recreation and Multi-Plex*

Department that runs different programs and activities with the purpose to improve health and quality of life of members. Activities performed include sports coordination, maintenance of public spaces, York Boat Days and other social activities for all members.

#### *Pinaow Wachi*

Provides funding for eligible members in need of personal medical and non-medical care in a supported living environment.

#### *Playgreen Development Corporation*

Entity that provides civil and site works services to the community.

#### *Prevention*

Department that provides development and delivery of services to support the safety and well-being of FN, children, youth, young adults, families and communities, in an approach that is culturally appropriate, in their best interests, and in accordance with substantive equality.

**2. Summary of significant accounting policies (continued)**

*Segments (continued)*

*Public works*

Department is responsible for public services such as the operation and maintenance of roads, water and sanitation system and waste management. Maintenance of Norway House Cree Nation buildings and community infrastructure is also included in this segment.

*Restorative justice*

To facilitate Aboriginal peoples' greater involvement in the administration of justice in the Province of Manitoba and the Government of Canada.

*Safety Officer's Program*

Department responsible for internal security and law enforcement. The main activities include handling of domestic issues, traffic accidents, finding missing persons and filling out paperwork.

*Social services*

Department that is responsible for administering assistance payments as well as providing services directed towards members.

*VLT Operations*

Department responsible for the operations of the video lottery terminals.

*Youth*

Perform programs and activities for youth in matters such as education, culture, health, economic development, welfare, housing and infrastructure and sports and recreation.

## **Norway House Cree Nation**

### **Notes to the consolidated financial statements**

March 31, 2023

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## **2. Summary of significant accounting policies (continued)**

### *Enterprises*

Includes the activities of Norway House Cree Nation related entities including:

#### *Kinosao Sipi Business Development Corporation*

Organization that undertakes economic development projects with the goal of generating revenues and employing members.

#### *York Boat Diner*

Entity that provides restaurant services.

#### *York Boat Inn*

Motel services provided at building located in Norway House, Manitoba. Activities include front desk, janitorial and cleaning services.

#### *Molson Lake Lodge (1978) Ltd.*

Real estate leasing entity that holds a fly-in fishing lodge and outposts.

#### *Norway House Pharmacy Ltd.*

General partner of Norway House Pharmacy Limited Partnership. Entity that provides for the safe supply and use of medicines by patients and members.

For each reported segment, revenue and expenditures include 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, including administrative expense transfers that have been apportioned based on 10-15% of expenses.

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

### *Valuation of Financial Assets and Liabilities*

The Entity's financial assets and liabilities are measured as follows:

Financial statement component	Measurement
Cash and cash equivalents	Cost and amortized cost
Accounts receivable	Lower of cost or net recoverable value
Cash held in trust	Cost and amortized cost
Portfolio investments	Amortized cost
Investments in Government Business Partnerships	Cost
Accounts payable and accrued liabilities	Cost
Deferred revenue	Cost

## **Norway House Cree Nation**

### **Notes to the consolidated financial statements**

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### **3. Changes in accounting policies**

The Entity adopted the following new accounting policies:

#### **Asset retirement obligations**

On April 1, 2022, the Entity adopted the PSAS Section (PS 3280) "Asset Retirement Obligations". The new standard includes the requirement for the recognition, measurement, presentation and disclosure of asset retirement obligations and is effective for years beginning on or after April 1, 2022. There was no significant impact on these consolidated financial statements as a result of the adoption of this standard as no legal or constructive obligations were identified.

#### **Financial instruments**

On April 1, 2022, the Entity adopted the PSAS Section (PS 3450) "Financial Instruments". The new standard establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. There was no significant impact on these consolidated financial statements as a result of the adoption of these standards.

As part of the adoption of PSAS 3450, on April 1, 2022 the entity was also required to adopt PSAS Section (PS 3041) "Portfolio investments" which has removed the distinction between temporary and portfolio investments, PSAS Section (PS 2601) "Foreign Currency Translation" which requires unrealized gains and losses to be presented on the statement of re-measurement gains and losses and PSAS Section (PS 1201) "Financial Statement Presentation" which requires a new statement of re-measurement gains and losses separate from the statement of operations. The adoption of these standards/amendments had no significant impact on the Entity's consolidated financial statements and there are no remeasurement gains and losses, so no statement has been presented.

### **4. Accounts receivable**

	<b>2023</b> \$	2022 \$
Receivables from Band members	<b>11,306,375</b>	8,184,990
Bison Modular Homes	<b>2,000,000</b>	-
Province of Manitoba	<b>1,666,065</b>	1,398,776
Broadband customers	<b>1,271,486</b>	728,925
Manitoba Keewatinowi Okimakanak Inc. (MKO)	<b>1,238,210</b>	946,146
PDC customers	<b>826,245</b>	546,240
Manitoba Hydro	<b>637,478</b>	613,474
Norway House Fisherman's Co-op Ltd.	<b>553,082</b>	879,041
Government remittances receivable	<b>492,662</b>	470,495
Indigenous Services Canada (ISC)	<b>443,489</b>	307,558
JNR Construction Joint Venture income	<b>325,440</b>	453,597
Pharmacy benefit providers	<b>110,060</b>	125,040
Norway House Trappers Association	<b>100,000</b>	300,000
Keenanow Trust Secretariat receivables	<b>99,060</b>	2,963,890
Allowance for doubtful accounts	<b>(10,660,374)</b>	(7,534,588)
	<b>10,409,278</b>	10,383,584

## Norway House Cree Nation

### Notes to the consolidated financial statements

March 31, 2023

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## 5. Cash held in trust

	2023 \$	2022 \$
First Nations Finance Authority - debt reserve fund	<b>530,841</b>	-
First Nations Finance Authority - cash account	<b>28,071</b>	-
ISC - Trust funds	<b>156,243</b>	134,241
	<b>715,155</b>	134,241

#### First Nations Finance Authority - debt reserve fund

Pursuant to the financing arrangement that the First Nation has entered into with the First Nations Finance Authority, amounts are held in trust by the First Nations Finance Authority to cover any unexpected defaults in the required monthly loan payments. During the year, the First Nation earned interest of \$4,525 (2022 - \$nil) on the cash held in this debt reserve fund.

#### First Nations Finance Authority - cash account

The First Nation's cash account held with the First Nations Finance Authority represents the remaining amount of payments that the First Nation has made that have yet to be applied to principal or interest. During the year, the First Nation earned interest of \$427 (2022 - \$nil) on the cash held in this debt reserve fund.

#### ISC - Trust funds

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

## 6. Portfolio investments

	2023		2022	
	Carrying value \$	Market value \$	Carrying value \$	Market value \$
Guaranteed investment certificates				
Royal Bank of Canada	<b>75,000</b>	<b>75,000</b>	75,000	75,000
Bank of Montreal	—	—	7,217,500	7,217,500
<b>Total</b>	<b>75,000</b>	<b>75,000</b>	7,292,500	7,292,500

Guaranteed investment certificates have effective interest rates of 0.75% (2022 – 0.10% to 0.25%) and mature in less than one year.

## Norway House Cree Nation

### Notes to the consolidated financial statements

March 31, 2023

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## 7. Investments in government business partnerships

	Ownership %	2022 Carrying amount \$			Share of income (loss) \$	Distributions \$	2023 Carrying amount \$
			Contributions \$				
Bison Container Homes	51	473,515	—	(106,150)	(123,789)	243,576	
Kici Sipi Communications	50	2,288,140	951,447	24,075	—	3,263,662	
Tower Camp	52	178,796	11,198	6,705	—	196,699	
<b>Total</b>		<b>2,940,451</b>	<b>962,645</b>	<b>(75,370)</b>	<b>(123,789)</b>	<b>3,703,937</b>	

	Ownership %	2021 Carrying amount \$			Share of income (loss) \$	Distributions \$	2022 Carrying amount \$
			Contributions \$				
Bison Container Homes	51	—	5	473,510	—	473,515	
Kici Sipi Communications	50	—	2,288,923	(783)	—	2,288,140	
Tower Camp	52	—	178,796	121,651	(121,651)	178,796	
<b>Total</b>		<b>—</b>	<b>2,467,724</b>	<b>594,378</b>	<b>(121,651)</b>	<b>2,940,451</b>	

## 8. Accounts payable and accrued liabilities

	2023 \$	2022 \$
Accounts payable	9,959,439	14,539,226
Accrued liabilities	7,768,072	6,285,646
Payroll liabilities	3,724,044	3,444,948
Government remittances payable	218,960	284,036
	<b>21,670,515</b>	<b>24,553,856</b>

# Norway House Cree Nation

## Notes to the consolidated financial statements

March 31, 2023

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### 8. Accounts payable and accrued liabilities (continued)

	Band	Camp Operations	CMHC	Gaming Centre	HCE	KSBDC	KSIW	Keenanow Trust Secretariat
	\$	\$	\$	\$	\$	\$	\$	\$
Accounts payable	2,205,310	226,278	20,099	4,116	6,715,010	4,331	36,540	16,764
Accrued liabilities	147,705	—	—	5,250	7,463,204	14,000	6,000	23,000
Payroll liabilities	3,674,423	—	—	—	—	—	—	—
Government remittances payable	91,442	36,054	—	—	—	27,853	36,504	—
	<b>6,118,880</b>	<b>262,332</b>	<b>20,099</b>	<b>9,366</b>	<b>14,178,214</b>	<b>46,184</b>	<b>79,044</b>	<b>39,764</b>
	Molson Lake Lodge	Muchipunowin	PDC	Pharmacy	Pinaow Wachi	York Boat Inn & Diner	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Accounts payable	—	12,825	414,369	118,834	174,313	10,650	9,959,439	14,539,226
Accrued liabilities	5,000	78,913	—	10,000	15,000	—	7,768,072	6,285,646
Payroll liabilities	—	—	—	—	49,621	—	3,724,044	3,444,948
Government remittances payable	—	—	19,066	—	—	8,041	218,960	284,036
	<b>5,000</b>	<b>91,738</b>	<b>433,435</b>	<b>128,834</b>	<b>238,934</b>	<b>18,691</b>	<b>21,670,515</b>	<b>24,553,856</b>

**Norway House Cree Nation**  
**Notes to the consolidated financial statements**  
March 31, 2023

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**9. Long-term debt**

	<b>2023</b> \$	2022 \$
<b>Bank of Montreal</b>		
\$8,034 payable monthly including interest at 4.99%, maturing November 1, 2025, secured by a first charge on equipment.	<b>240,245</b>	322,425
\$148,426 payable monthly including interest at 6.25%, maturing January 1, 2025, secured by a first charge on equipment and building.	<b>21,382,114</b>	21,812,011
\$33,020 payable monthly including interest at 3.80%, maturing December 7, 2024, secured by a first charge on equipment.	<b>669,835</b>	1,033,097
Demand loan non-revolving from the Bank of Montreal up to \$3,800,000 repayable in monthly payments of \$22,927 principal plus interest at the prime rate plus 1.25%. Loan is secured by a general security agreement providing a first fixed and floating charge over the assets of 4015029 Manitoba Ltd., and a registered first charge of collateral mortgage of \$5,000,000 over 333 Maryland St. property.	<b>3,096,717</b>	3,172,159
<b>Bodkin</b>		
\$2,139 payable monthly including interest of 6.81%, matured November 7, 2022, secured by a first charge on equipment.	—	16,779
<b>CMHC</b>		
Forgivable loan over 15 years, in 2025, as long as the building is used for a shelter.	<b>105,000</b>	140,000
<b>CWB National Leasing</b>		
\$7,025 payable monthly including interest of 5.75% matured August 1, 2022, secured by a first charge on equipment.	—	27,721
\$1,132 payable monthly including interest at 6.81%, maturing May 31, 2024, secured by a first charge on equipment.	<b>15,421</b>	27,503
\$3,725 payable monthly including interest at 5.44%, matured October 1, 2022, secured by a first charge on equipment.	—	25,707
<b>Daimler</b>		
\$3,283 payable monthly including interest of 8.39%, maturing September 9, 2024, secured by a first charge on equipment.	<b>55,362</b>	88,585
Carry forward	<b>25,564,694</b>	26,665,987

**Norway House Cree Nation**  
**Notes to the consolidated financial statements**  
March 31, 2023

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**9. Long-term debt (continued)**

	<b>2023</b> \$	2022 \$
Balance carried forward	<b>25,564,694</b>	26,665,987
<b>Ford Credit</b>		
\$1,149 payable monthly including interest at 7.48%, maturing January 13, 2024, secured by a first charge on equipment.	<b>11,102</b>	23,546
\$1,196 payable monthly including interest at 7.48%, maturing January 13, 2024, secured by a first charge on equipment.	<b>11,557</b>	24,511
\$593 payable monthly including interest at 9.08%, maturing January 18, 2024, secured by a first charge on equipment.	<b>12,546</b>	26,185
\$663 payable monthly including interest at 2.02%, maturing May 24, 2024, secured by a first charge on equipment.	<b>16,848</b>	24,379
\$751 payable monthly including interest at 1.01%, maturing May 24, 2024, secured by a first charge on equipment.	<b>10,449</b>	19,307
\$653 payable monthly including interest at 0.00%, maturing October 27, 2025, secured by a first charge on equipment.	<b>20,237</b>	28,071
\$653 payable monthly including interest at 0.00%, maturing November 10, 2025, secured by a first charge on equipment.	<b>20,890</b>	28,724
\$781 payable monthly including interest at 0.00%, maturing November 10, 2025, secured by a first charge on equipment.	<b>25,002</b>	34,378
\$756 payable monthly including interest at 0.00%, maturing November 18, 2025, secured by a first charge on equipment.	<b>24,202</b>	33,278
\$829 payable monthly including interest at 0.99%, maturing September 27, 2027, secured by a first charge on equipment.	<b>43,790</b>	53,259
\$829 payable monthly including interest at 0.99%, maturing September 27, 2027, secured by a first charge on equipment.	<b>43,767</b>	53,231
<b>First Nations Finance Authority</b>		
First Nations Finance Authority Loan, with interest payment of 6% calculated daily and compounded monthly. Principal amount is due on February 15, 2028. Loan is secured by a first charge against particular non-government transfer revenue earned by the First Nation.	<b>10,526,320</b>	—
<b>First People's Economic Growth Fund</b>		
\$4,150 payable monthly including interest at 0.00%, maturing December 1, 2027 secured by a promissory note signed by Kinosao Sipi Business Development Corporation and a loan guarantee signed by the Entity.	<b>240,700</b>	290,500
Carry forward	<b>36,572,104</b>	27,305,356

**Norway House Cree Nation**  
**Notes to the consolidated financial statements**  
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**9. Long-term debt (continued)**

	<b>2023</b> \$	2022 \$
Balance carried forward	<b>36,572,104</b>	27,305,356
<b>Komatsu International (Canada) Inc.</b>		
\$4,209 payable monthly, 0% interest, matured November 27, 2022, secured by a first charge on equipment.	—	33,676
\$8,971 payable monthly, 0% interest, maturing April 1, 2023, secured by a first charge on equipment.	<b>8,471</b>	116,121
\$9,895 payable monthly, 0% interest, matured December 2, 2022, secured by a first charge on equipment.	—	89,052
\$3,516 payable monthly, 0% interest, maturing April 1, 2024, secured by a first charge on equipment.	<b>45,714</b>	87,911
\$3,516 payable monthly, 0% interest, maturing April 1, 2024, secured by a first charge on equipment.	<b>45,714</b>	87,911
\$4,833 payable monthly, 0% interest, maturing April 1, 2024, secured by a first charge on equipment.	<b>62,833</b>	120,833
\$5,957 payable monthly, 6.00% interest, maturing October 14, 2023, secured by a first charge on equipment.	<b>40,875</b>	107,710
\$5,548 payable monthly, 0% interest, maturing December 2, 2024, secured by a first charge on equipment.	<b>116,516</b>	183,096
\$7,037 payable monthly, 0% interest, maturing August 25, 2024, secured by a first charge on equipment.	<b>119,637</b>	204,086
\$6,492 payable monthly, 0% interest, maturing January 25, 2025, secured by a first charge on equipment.	<b>142,817</b>	220,717
\$8,429 payable monthly, 5.74% interest, maturing January 25, 2027, secured by a first charge on equipment.	<b>347,298</b>	—
\$8,429 payable monthly, 5.74% interest, maturing February 17, 2027, secured by a first charge on equipment.	<b>354,034</b>	—
\$14,673 payable monthly, 5.74% interest, maturing February 27, 2027, secured by a first charge on equipment.	<b>616,306</b>	—
<b>Mercado</b>		
\$5,310 payable monthly including interest at 6.96%, maturing June 25, 2027, secured by a first charge on equipment.	<b>233,852</b>	279,560
<b>Scotiabank</b>		
\$1,191 payable monthly including interest at 1.99%, maturing November 3, 2026, secured by a first charge on equipment.	<b>50,501</b>	63,648
Carry forward	<b>38,756,672</b>	28,899,677

**Norway House Cree Nation**  
**Notes to the consolidated financial statements**  
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**9. Long-term debt (continued)**

	<b>2023</b> \$	2022 \$
Balance carried forward	<b>38,756,672</b>	28,899,677
<b>NHCN Housing Projects</b>		
<b>Peace Hills Trust</b>		
Construction mortgage, payable in blended monthly instalments of \$24,916 and interest rate of 5.00% renewable on November 1, 2024.	<b>3,389,512</b>	3,525,639
<b>Royal Bank of Canada</b>		
Demand loan payable in annual instalments of \$110,570 less interest at 3.08% payable monthly maturing April 1, 2024, secured by 35 housing units.	<b>221,140</b>	331,710
Demand loan payable in monthly instalments of \$15,310, less interest at 2.40% payable monthly, maturing April 1, 2025, secured by 36 housing units.	<b>374,667</b>	547,122
Demand loan payable in monthly instalments of \$12,817 including interest at 3.36%, maturing June 1, 2023, secured by a Band Council Resolution supporting the apartment building construction loan in the original amount of \$2,400,000 and acknowledgement from ISC as to loan funding, terms and conditions.	<b>735,986</b>	862,717
Demand loan, repayable in monthly instalments of \$4,915 including interest at 2.96%, maturing February 1, 2025, secured by a Band Council Resolution committing to a loan for the purchase of trailers.	<b>367,842</b>	415,159
Demand loan, repayable in monthly instalments of \$12,991 plus interest at 1.86%, maturing December 1, 2025, secured by a Band Council Resolution supporting a loan facility of \$2,652,000 to fund the construction of the 33-unit CMHC project.	<b>1,164,231</b>	1,297,111
Demand loan payable in monthly instalments of \$14,622 including interest at 3.24%, due on demand secured by 33 trailer units.	<b>1,292,170</b>	1,466,468
Demand loan payable in monthly instalments of \$10,552 including interest at 1.87%, maturing February 1, 2026, secured by teacherage units.	<b>930,390</b>	1,038,508
Mortgage payable, 3.99%, repayable in bi-weekly instalments of \$259, repaid during 2023.	—	22,229
Mortgage payable, 7.45%, repayable in bi-weekly instalments of \$437, repaid during 2023.	—	44,427
Carry forward	<b>47,232,610</b>	38,450,767

**Norway House Cree Nation**  
**Notes to the consolidated financial statements**  
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**9. Long-term debt (continued)**

	<b>2023</b> \$	<b>2022</b> \$
Balance carried forward	<b>47,232,610</b>	38,450,767
<b>CMHC Housing Projects</b>		
Canada Mortgage and Housing Corporation		
Mortgage payable, 1.80%, repayable in monthly instalments of \$5,786 due June 1, 2023.	<b>17,302</b>	85,757
Mortgage payable, 1.35%, repayable in monthly instalments of \$4,472, due July 1, 2026.	<b>176,011</b>	225,755
Mortgage payable, 1.97%, repayable in monthly instalments of \$3,559, due October 1, 2027.	<b>187,601</b>	225,635
Mortgage payable, 1.97%, repayable in monthly instalments of \$3,107, due September 1, 2027.	<b>160,935</b>	194,203
Mortgage payable, 1.97%, repayable in monthly instalments of \$2,075, due September 1, 2027.	<b>107,481</b>	129,700
Mortgage payable, 2.39%, repayable in monthly instalments of \$4,585, due March 1, 2028.	<b>259,156</b>	307,386
Mortgage payable, 1.86%, repayable in monthly instalments of \$1,440, due January 1, 2029.	<b>95,513</b>	110,875
Mortgage payable, 1.83%, repayable in monthly instalments of \$1,888, due November 1, 2024.	<b>37,159</b>	58,919
Mortgage payable, 0.68%, repayable in monthly instalments of \$4,378, due August 1, 2025.	<b>125,893</b>	177,386
Mortgage payable, 2.39%, repayable in monthly instalments of \$6,882, due February 1, 2032.	<b>662,980</b>	728,939
Mortgage payable, 0.71%, repayable in monthly instalments of \$10,033, due February 1, 2035.	<b>1,375,310</b>	1,485,527
Mortgage payable, 0.71%, repayable in monthly instalments of \$4,895, due July 1, 2035.	<b>693,452</b>	747,068
Mortgage payable, 2.68%, repayable in monthly instalments of \$15,959, due September 1, 2033.	<b>1,752,205</b>	1,894,935
Mortgage payable, 2.21%, repayable in monthly instalments of \$10,591, due February 1, 2034.	<b>1,232,181</b>	1,330,978
Mortgage payable, 2.61% repayable in monthly instalments of \$13,856, due December 1, 2043.	<b>2,665,017</b>	2,760,738
Mortgage payable, 0.73% repayable in monthly instalments of \$7,663, due July 1, 2045.	<b>1,894,627</b>	1,972,461
Mortgage payable, terms to be determined upon completion of project.	<b>1,592,447</b>	1,592,447
Mortgage payable, terms to be determined upon completion of project.	<b>394,857</b>	394,857
Mortgage payable, terms to be determined upon completion of project.	<b>252,631</b>	252,631
Forgivable loan over 5 years, in 2028, as long as the building is occupied by band member(s) with a total household income at or below the income threshold during this earning period.	<b>61,824</b>	61,824
Carry forward	<b>60,977,192</b>	53,188,788

**Norway House Cree Nation**  
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**9. Long-term debt (continued)**

	<b>2023</b> \$	2022 \$
Balance carried forward	<b>60,977,192</b>	53,188,788
<b>CMHC Housing Projects (continued)</b>		
Canada Mortgage and Housing Corporation		
Forgivable loan over 5 years, in 2028, as long as the building is occupied by band member(s) with a total household income at or below the income threshold during this earning period.	400	400
Forgivable loan over 5 years, in 2029, as long as the building is occupied by band member(s) with a total household income at or below the income threshold during this earning period.	1,099	—
Forgivable loan over 5 years, in 2029, as long as the building is occupied by band member(s) with a total household income at or below the income threshold during this earning period.	59,888	—
Forgivable loan over 5 years, in 2029, as long as the building is occupied by band member(s) with a total household income at or below the income threshold during this earning period.	46,288	—
Total long-term debt	<b>61,084,867</b>	53,189,188

Long-term debt for CMHC projects financed by the Canada Mortgage and Housing Corporation, the Royal Bank of Canada and the Toronto-Dominion Bank are secured by a CMHC undertaking to insure the properties, a commitment letter, lender's loan agreement, ministerial guarantee and an assignment of fire insurance.

## 9. Long-term debt (continued)

The majority of the long-term debt held by the Entity is for the purpose of financing housing projects and mortgages. The remaining long-term debt balance relates to equipment and building loans as presented below:

	<b>2023</b> \$	2022 \$
Housing	<b>43,815,310</b>	46,241,524
Equipment	<b>3,646,520</b>	3,775,505
Building	<b>13,623,037</b>	3,172,159
	<b>61,084,867</b>	53,189,188

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

	\$
2024	3,915,148
2025	3,835,553
2026	3,195,415
2027	3,081,980
2028	2,567,089
Thereafter	<u>44,489,682</u>
	<u>61,084,867</u>

## 10. Deferred revenue

	<b>2023</b> \$	2022 \$
Deferred revenue consists of the following		
ISC - Health Centre of Excellence capital funding	<b>22,613,286</b>	8,102,245
ISC - Band funding	<b>10,753,569</b>	8,318,649
Frontier School Division	<b>2,368,089</b>	2,368,089
Assembly of Manitoba Chiefs (AMC)	<b>1,084,333</b>	500,000
Keenanow Trust	<b>862,655</b>	3,254,650
Manitoba Keewatinowi Okimakanak (MKO)	<b>534,916</b>	344,258
Keewatinohk Inniniw Minoayawin (KIM)	<b>229,565</b>	230,138
Other	<b>73,827</b>	84,781
CMHC Rapid Housing Initiative	<b>-</b>	327,874
	<b>38,520,240</b>	23,530,684

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

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**11. Tangible capital assets**

	<b>General tangible capital assets</b>				
	<b>Land and land improvements</b> \$	<b>Buildings and leasehold improvements</b> \$	<b>Vehicles and equipment</b> \$	<b>Computer hardware and software</b> \$	<b>Housing</b> \$
Cost					
Opening costs	<b>1,507,452</b>	<b>107,318,326</b>	<b>46,242,744</b>	<b>561,310</b>	<b>95,506,773</b>
Additions during the year	<b>135,746</b>	<b>3,304,228</b>	<b>3,746,663</b>	<b>131,990</b>	<b>5,111,348</b>
Transfers out of construction in progress	—	<b>6,764,907</b>	<b>39,308</b>	—	<b>9,386,091</b>
Disposals and write downs	—	—	<b>(808,764)</b>	—	—
Closing costs	<b>1,643,198</b>	<b>117,387,461</b>	<b>49,219,951</b>	<b>693,300</b>	<b>110,004,212</b>
Accumulated amortization					
Opening accumulated amortization	<b>31,460</b>	<b>46,031,668</b>	<b>26,506,233</b>	<b>425,560</b>	<b>46,814,343</b>
Amortization	<b>49,104</b>	<b>3,892,211</b>	<b>4,259,096</b>	<b>69,674</b>	<b>5,379,458</b>
Disposals and write downs	—	—	<b>(148,366)</b>	—	—
Closing accumulated amortization	<b>80,564</b>	<b>49,923,879</b>	<b>30,616,963</b>	<b>495,234</b>	<b>52,193,801</b>
<b>Net book value of tangible capital assets</b>	<b>1,562,634</b>	<b>67,463,582</b>	<b>18,602,988</b>	<b>198,066</b>	<b>57,810,411</b>

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2023

**11. Tangible capital assets (continued)**

	<b>Infrastructure</b>				<b>2023</b>	<b>2022</b>
	<b>Roads and sidewalks</b>	<b>Water and sewer</b>	<b>Telecom</b>	<b>Construction in progress</b>		
Cost						
Opening costs	<b>18,422,723</b>	<b>27,086,227</b>	<b>14,304,323</b>	<b>125,261,831</b>	<b>436,211,709</b>	358,718,292
Additions during the year	—	<b>331,366</b>	<b>19,285</b>	<b>56,624,688</b>	<b>69,405,314</b>	79,261,999
Transfers out of construction in progress	—	—	—	<b>(16,190,306)</b>	—	—
Disposals and write downs	—	—	—	—	<b>(808,764)</b>	(1,768,582)
Closing costs	<b>18,422,723</b>	<b>27,417,593</b>	<b>14,323,608</b>	<b>165,696,213</b>	<b>504,808,259</b>	436,211,709
Accumulated amortization						
Opening accumulated amortization	<b>10,557,128</b>	<b>10,959,450</b>	<b>4,067,319</b>	—	<b>145,393,161</b>	131,439,741
Amortization	<b>613,855</b>	<b>888,456</b>	<b>475,949</b>	—	<b>15,627,803</b>	14,305,548
Disposals and write downs	—	—	—	—	<b>(148,366)</b>	(352,128)
Closing accumulated amortization	<b>11,170,983</b>	<b>11,847,906</b>	<b>4,543,268</b>	—	<b>160,872,598</b>	145,393,161
<b>Net book value of tangible capital assets</b>	<b>7,251,740</b>	<b>15,569,687</b>	<b>9,780,340</b>	<b>165,696,213</b>	<b>343,935,661</b>	290,818,548

## Norway House Cree Nation

### Notes to the consolidated financial statements

March 31, 2023

#### 11. Tangible capital assets (continued)

	Band	Broadband	CMHC	HCE	KSBDC	KSIW	Molson Lake Lodge
	\$	\$	\$	\$	\$	\$	\$
Cost							
Opening costs	255,913,983	12,443,986	33,355,484	105,969,671	8,044,607	7,155,203	1,912,365
Additions during the year	24,529,736	19,285	2,999,704	38,319,617	470,246	299,872	—
Disposals and write downs	—	—	—	(761,196)	—	—	—
Closing costs	280,443,719	12,463,271	36,355,188	143,528,092	8,514,853	7,455,075	1,912,365
Accumulated amortization							
Opening accumulated amortization	112,268,304	2,404,775	15,261,212	1,262,245	4,193,953	2,768,525	1,834,209
Amortization	11,932,822	415,121	1,448,114	773,149	267,190	265,310	59,080
Disposals and write downs	—	—	—	(100,800)	—	—	—
Closing accumulated amortization	124,201,126	2,819,896	16,709,326	1,934,594	4,461,143	3,033,835	1,893,289
<b>Net book value of tangible capital assets</b>	<b>156,242,593</b>	<b>9,643,375</b>	<b>19,645,862</b>	<b>141,593,498</b>	<b>4,053,710</b>	<b>4,421,240</b>	<b>19,076</b>
	Muchipunowin	Other	Pharmacy	Pinaow Wachi	York Boat Inn & Diner	2023	2022
	\$	\$	\$	\$	\$	\$	\$
Cost							
Opening costs	239,806	2,991,554	841,144	4,786,213	2,557,693	436,211,709	358,718,292
Additions during the year	47,200	496,904	11,871	2,144,119	66,758	69,405,314	79,261,999
Disposals and write downs	—	—	(47,566)	—	—	(808,764)	(1,768,582)
Closing costs	287,006	3,488,458	805,449	6,930,332	2,624,451	504,808,259	436,211,709
Accumulated amortization							
Opening accumulated amortization	123,381	824,260	616,814	2,436,822	1,398,661	145,393,161	131,439,741
Amortization	34,624	58,023	62,345	255,834	56,191	15,627,803	14,305,548
Disposals and write downs	—	—	(47,566)	—	—	(148,366)	(352,128)
Closing accumulated amortization	158,005	882,283	631,593	2,692,656	1,454,852	160,872,598	145,393,161
<b>Net book value of tangible capital assets</b>	<b>129,001</b>	<b>2,606,175</b>	<b>173,856</b>	<b>4,237,676</b>	<b>1,169,599</b>	<b>343,935,661</b>	<b>290,818,548</b>

**Norway House Cree Nation**  
**Notes to the consolidated financial statements**  
March 31, 2023

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**12. Inventory**

	<b>2023</b> \$	2022 \$
Norway House Pharmacy	<b>415,433</b>	464,856
Playgreen Development Corporation	<b>200,513</b>	395,414
Norway House Cree Nation Gaming Commission	<b>10,217</b>	11,735
Kinosao Sipi Business Development Corporation	<b>4,500</b>	4,500
York Boat Inn	<b>4,000</b>	4,000
	<b>634,663</b>	880,505

**13. Other revenue**

	<b>2023</b> \$	2022 \$
Fuel sales	<b>1,767,711</b>	1,888,331
Restaurant sales	<b>1,197,743</b>	1,069,654
Environmental	<b>1,113,219</b>	590,535
Interest	<b>1,551,234</b>	178,691
Telecom revenue	<b>1,006,862</b>	1,290,973
Settlements	<b>1,000,000</b>	-
Other	<b>726,430</b>	1,889,801
Gain on investment - Tower JV	<b>6,705</b>	121,651
User fees - water and sewer	<b>380,278</b>	377,419
Hotel room rentals	<b>454,521</b>	373,345
Sponsorships	<b>237,212</b>	130,300
Other revenue - multiplex	<b>122,027</b>	11,590
Other revenue - radio	<b>115,320</b>	29,180
Daycare fees	<b>85,236</b>	67,173
License fees	<b>77,172</b>	136,103
(Loss) gain on investment - Bison Container Homes	<b>(106,150)</b>	506,456
	<b>9,735,520</b>	8,661,202

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2023

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**14. Segment disclosure**

	<b>Assisted Living</b>		<b>Broadband</b>		<b>Band Support</b>	
	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$
Revenue and capital contributions						
Federal government	<b>7,085,752</b>	4,006,161	—	—	<b>5,549,044</b>	4,189,034
Provincial government	—	—	—	—	<b>1,729,829</b>	1,625,077
Economic activities	<b>6,150</b>	5,850	<b>1,006,862</b>	1,290,973	<b>3,965,133</b>	2,581,905
Other revenue	—	—	—	—	<b>1,704,766</b>	1,297,666
	<b>7,091,902</b>	4,012,011	<b>1,006,862</b>	1,290,973	<b>12,948,772</b>	9,693,682
Expenditures						
Salaries and benefits	<b>458,293</b>	315,539	<b>179,266</b>	113,532	<b>3,536,720</b>	3,200,984
Amortization	—	—	<b>415,121</b>	398,725	<b>875,339</b>	328,176
Debt servicing	—	—	—	—	<b>1,773,941</b>	1,644,814
Other expenses	<b>5,454,659</b>	2,031,923	<b>1,928,087</b>	916,844	<b>11,252,444</b>	8,754,481
	<b>5,912,952</b>	2,347,462	<b>2,522,474</b>	1,429,101	<b>17,438,444</b>	13,928,455
Annual surplus (deficit)	<b>1,178,950</b>	1,664,549	<b>(1,515,612)</b>	(138,128)	<b>(4,489,672)</b>	(4,234,773)

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2023

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**14. Segment disclosure (continued)**

	CMHC		Education		Emergency Services	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Revenue and capital contributions						
Federal government	<b>3,238,594</b>	2,991,474	<b>48,380,241</b>	39,972,644	<b>668,796</b>	1,085,839
Provincial government	—	—	<b>159,236</b>	272,623	—	—
Economic activities	<b>1,051,879</b>	1,011,888	<b>48,133</b>	2,450	—	—
Other revenue	—	—	<b>20,622</b>	410	—	962
	<b>4,290,473</b>	4,003,362	<b>48,608,232</b>	40,248,127	<b>668,796</b>	1,086,801
Expenditures						
Salaries and benefits	—	—	<b>1,483,833</b>	1,234,271	<b>1,351,855</b>	1,138,593
Amortization	<b>1,448,114</b>	1,776,734	<b>1,930,377</b>	1,751,593	<b>64,465</b>	24,711
Debt servicing	<b>224,818</b>	234,008	—	—	—	—
Other expenses	<b>1,597,081</b>	938,533	<b>34,999,672</b>	32,140,265	<b>362,640</b>	313,745
	<b>3,270,013</b>	2,949,275	<b>38,413,882</b>	35,126,129	<b>1,778,960</b>	1,477,049
Annual surplus (deficit)	<b>1,020,460</b>	1,054,087	<b>10,194,350</b>	5,121,998	<b>(1,110,164)</b>	(390,248)

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2023

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**14. Segment disclosure (continued)**

	<b>Employment and Training</b>		<b>Enterprises</b>		<b>Gaming Commission</b>	
	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$
Revenue and capital contributions						
Federal government	<b>1,323,567</b>	1,679,951	—	—	—	—
Provincial government	—	—	—	206,000	—	—
Economic activities	—	—	<b>9,694,860</b>	8,438,118	<b>197,411</b>	309,152
Other revenue	<b>15,480</b>	—	<b>34,853</b>	57,442	—	—
	<b>1,339,047</b>	1,679,951	<b>9,729,713</b>	8,701,560	<b>197,411</b>	309,152
Expenditures						
Salaries and benefits	<b>484,466</b>	480,915	<b>3,082,096</b>	2,432,022	<b>26,619</b>	23,450
Amortization	—	—	<b>498,217</b>	582,162	<b>4,612</b>	4,611
Debt servicing	—	—	<b>357</b>	1,254	—	—
Other expenses	<b>834,407</b>	860,974	<b>6,410,434</b>	5,228,855	<b>190,107</b>	325,868
	<b>1,318,873</b>	1,341,889	<b>9,991,104</b>	8,244,293	<b>221,338</b>	353,929
Annual surplus (deficit)	<b>20,174</b>	338,062	(261,391)	457,267	(23,927)	(44,777)

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2023

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**14. Segment disclosure (continued)**

	<b>Health and Wellness Foundation</b>		<b>Health Centre of Excellence</b>		<b>Health Services</b>	
	<b>2023</b>	2022	<b>2023</b>	2022	<b>2023</b>	2022
	\$	\$	\$	\$	\$	\$
Revenue and capital contributions						
Federal government	—	—	<b>40,510,669</b>	50,531,895	<b>18,503,762</b>	33,870,608
Provincial government	—	—	—	—	—	—
Economic activities	—	—	—	—	—	—
Other revenue	<b>121</b>	55	<b>293,207</b>	72,207	<b>6,927</b>	81,490
	<b>121</b>	55	<b>40,803,876</b>	50,604,102	<b>18,510,689</b>	33,952,098
Expenditures						
Salaries and benefits	—	—	<b>122,991</b>	57,662	<b>6,652,966</b>	9,282,961
Amortization	—	—	<b>773,149</b>	847,110	<b>527,026</b>	503,436
Debt servicing	—	—	—	—	—	—
Other expenses	—	—	<b>3,429,665</b>	2,754,457	<b>9,785,425</b>	7,911,127
	—	—	<b>4,325,805</b>	3,659,229	<b>16,965,417</b>	17,697,524
Annual surplus (deficit)	<b>121</b>	55	<b>36,478,071</b>	46,944,873	<b>1,545,272</b>	16,254,574

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2023

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**14. Segment disclosure (continued)**

	<b>Housing</b>		<b>Keenanow Trust Secretariat</b>		<b>KSIW</b>	
	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$
Revenue and capital contributions						
Federal government	<b>3,194,874</b>	3,887,141	—	—	—	—
Provincial government	—	—	—	—	—	—
Economic activities	<b>252,942</b>	259,116	<b>2,576,872</b>	659,465	<b>3,264,017</b>	1,760,906
Other revenue	<b>542,100</b>	11,168	<b>27,625</b>	14,609	—	—
	<b>3,989,916</b>	4,157,425	<b>2,604,497</b>	674,074	<b>3,264,017</b>	1,760,906
Expenditures						
Salaries and benefits	<b>2,186,983</b>	938,108	<b>211,596</b>	82,244	<b>500,642</b>	452,521
Amortization	<b>4,085,093</b>	3,411,800	—	—	<b>265,310</b>	254,058
Debt servicing	—	—	—	—	<b>199,686</b>	121,072
Other expenses	<b>1,570,569</b>	935,128	<b>2,392,901</b>	110,407	<b>1,706,715</b>	1,271,671
	<b>7,842,645</b>	5,285,036	<b>2,604,497</b>	192,651	<b>2,672,353</b>	2,099,322
Annual surplus (deficit)	<b>(3,852,729)</b>	(1,127,611)	—	481,423	<b>591,664</b>	(338,416)

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2023

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**14. Segment disclosure (continued)**

	<b>Muchipunowin</b>		<b>Parks, Recreation, and Multi-Plex</b>		<b>Pinaow Wachi</b>	
	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$
Revenue and capital contributions						
Federal government	—	—	—	2,667,136	<b>4,911,302</b>	1,951,992
Provincial government	—	—	—	—	<b>751,300</b>	651,300
Economic activities	<b>2,751,872</b>	3,345,975	<b>208,088</b>	285,897	<b>302,525</b>	319,618
Other revenue	—	—	<b>680,473</b>	127,804	—	—
	<b>2,751,872</b>	3,345,975	<b>888,561</b>	3,080,837	<b>5,965,127</b>	2,922,910
Expenditures						
Salaries and benefits	<b>518,143</b>	594,673	<b>1,382,563</b>	695,289	<b>2,502,286</b>	2,411,788
Amortization	<b>34,624</b>	37,202	<b>641,951</b>	600,706	<b>255,834</b>	189,076
Debt servicing	—	—	—	—	—	—
Other expenses	<b>3,054,056</b>	2,933,359	<b>2,384,456</b>	1,126,679	<b>3,054,400</b>	704,250
	<b>3,606,823</b>	3,565,234	<b>4,408,970</b>	2,422,674	<b>5,812,520</b>	3,305,114
Annual surplus (deficit)	<b>(854,951)</b>	(219,259)	<b>(3,520,409)</b>	658,163	<b>152,607</b>	(382,204)

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

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**14. Segment disclosure (continued)**

	Playgreen		Development Corporation		Prevention		Public Works	
			2023	2022	2023	2022	2023	2022
		\$		\$		\$		\$
Revenue and capital contributions								
Federal government	—	—	<b>15,512,977</b>		—	—	<b>10,733,930</b>	10,443,260
Provincial government	<b>1,168,544</b>	811,678	—		—	—	—	—
Economic activities	<b>5,898,837</b>	3,467,027	—		—	—	<b>1,380,664</b>	816,550
Other revenue	—	—	—		—	—	<b>32,733</b>	66,722
	<b>7,067,381</b>	4,278,705	<b>15,512,977</b>		—	—	<b>12,147,327</b>	11,326,532
Expenditures								
Salaries and benefits	<b>1,873,481</b>	2,054,247	—		—	—	<b>3,891,730</b>	3,214,986
Amortization	<b>1,653,246</b>	1,586,427	—		—	—	<b>2,139,673</b>	1,995,680
Debt servicing	<b>41,741</b>	64,186	—		—	—	—	—
Other expenses	<b>7,057,156</b>	6,254,460	<b>1,372,725</b>		—	—	<b>5,440,131</b>	4,070,207
	<b>10,625,624</b>	9,959,320	<b>1,372,725</b>		—	—	<b>11,471,534</b>	9,280,873
Annual surplus (deficit)	<b>(3,558,243)</b>	(5,680,615)	<b>14,140,252</b>		—	—	<b>675,793</b>	2,045,659

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

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**14. Segment disclosure (continued)**

	<b>Restorative Justice</b>		<b>Safety Officer's Program</b>		<b>Social Services</b>	
	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$
Revenue and capital contributions						
Federal government	<b>90,000</b>	70,000	—	—	<b>19,744,173</b>	13,759,207
Provincial government	<b>80,000</b>	80,000	<b>215,052</b>	735,018	—	—
Economic activities	—	—	—	—	—	—
Other revenue	—	—	—	—	—	—
	<b>170,000</b>	150,000	<b>215,052</b>	735,018	<b>19,744,173</b>	13,759,207
Expenditures						
Salaries and benefits	<b>88,594</b>	113,475	<b>570,665</b>	583,024	<b>611,620</b>	617,324
Amortization	—	—	—	—	<b>15,652</b>	13,341
Debt servicing	—	—	—	—	—	—
Other expenses	<b>81,886</b>	39,178	<b>27,520</b>	93,871	<b>13,643,482</b>	13,556,647
	<b>170,480</b>	152,653	<b>598,185</b>	676,895	<b>14,270,754</b>	14,187,312
Annual surplus (deficit)	<b>(480)</b>	(2,653)	<b>(383,133)</b>	58,123	<b>5,473,419</b>	(428,105)

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2023

**14. Segment disclosure (continued)**

	<b>VLT</b>		<b>Youth</b>		<b>Elimination</b>	
	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$	<b>2023</b> \$	<b>2022</b> \$
Revenue and capital contributions						
Federal government	—	—	<b>368,876</b>	764,206	<b>(4,910,906)</b>	(1,951,992)
Provincial government	—	—	—	—	—	—
Economic activities	<b>25,653,764</b>	15,429,038	—	—	<b>(7,315,965)</b>	(4,742,193)
Other revenue	—	—	—	—	<b>(952,871)</b>	(107,890)
	<b>25,653,764</b>	15,429,038	<b>368,876</b>	764,206	<b>(13,179,742)</b>	(6,802,075)
Expenditures						
Salaries and benefits	<b>627,231</b>	397,237	<b>122,988</b>	207,049	—	—
Amortization	—	—	—	—	—	—
Debt servicing	—	—	—	—	—	—
Other expenses	<b>21,269,124</b>	12,701,710	—	—	<b>(13,179,742)</b>	(6,802,075)
	<b>21,896,355</b>	13,098,947	<b>122,988</b>	207,049	<b>(13,179,742)</b>	(6,802,075)
Annual surplus (deficit)	<b>3,757,409</b>	2,330,091	<b>245,888</b>	557,157	—	—
<b>Total</b>						
	<b>2023</b> \$	<b>2022</b> \$				
Revenue and capital contributions						
Federal government	<b>174,905,651</b>	166,771,895				
Provincial government	<b>4,103,961</b>	7,528,357				
Economic activities	<b>50,944,044</b>	35,241,735				
Other revenue	<b>2,406,036</b>	1,622,645				
	<b>232,359,692</b>	211,164,632				
Expenditures						
Salaries and benefits	<b>32,467,627</b>	30,641,894				
Amortization	<b>15,627,803</b>	14,305,548				
Debt servicing	<b>2,240,543</b>	2,065,334				
Other expenses	<b>126,120,000</b>	99,172,565				
	<b>176,455,973</b>	146,185,341				
Annual surplus (deficit)	<b>55,903,719</b>	64,979,291				

## **15. Expense by object**

The following is a summary of expenses by object:

	<b>2023</b>	2022
	\$	\$
Administration	<b>3,163,996</b>	2,603,460
Amortization	<b>15,627,803</b>	14,305,549
Bad debt	<b>1,790,944</b>	948,174
Bank Charges	<b>368,224</b>	229,896
Cost of Goods Sold	<b>32,053,556</b>	22,374,002
Debt servicing	<b>2,240,543</b>	2,065,333
Event expense	<b>2,420,991</b>	2,285,706
Funerals	<b>973,189</b>	677,425
Insurance	<b>1,201,994</b>	1,081,606
Loss (gain) on disposal of capital assets	<b>597,535</b>	(78,736)
Professional fees	<b>8,219,839</b>	6,013,102
Program costs	<b>56,593,178</b>	48,723,755
Rent	<b>831,624</b>	757,379
Repairs and maintenance	<b>4,810,744</b>	3,677,400
Salaries and benefits	<b>32,467,627</b>	30,641,895
Supplies	<b>5,976,667</b>	5,492,790
Training	<b>356,661</b>	125,614
Travel	<b>4,481,114</b>	2,411,134
Utilities	<b>2,279,744</b>	1,849,857
	<b><u>176,455,973</u></b>	<u>146,185,341</u>

## **16. Pension plan**

Norway House Cree Nation provides a defined contribution pension plan to its employees. The net expense for the year is \$380,731 (2022 - \$374,023).

Employees contribute 3% of their earnings to the entity's pension plan. The entity matches these employee contributions.

## Norway House Cree Nation

### Notes to the consolidated financial statements

March 31, 2023

#### 17. Government transfers

	Operations	Capital	2023 Total
	\$	\$	\$
Federal Government Transfers			
Indigenous Services Canada	<b>129,058,974</b>	<b>40,510,669</b>	<b>169,569,643</b>
Canada Mortgage and Housing Corporation	<b>2,239,979</b>	—	<b>2,239,979</b>
Manitoba Keewatinowi Okimakanak	<b>2,077,294</b>	—	<b>2,077,294</b>
Assembly of Manitoba Chiefs	<b>731,880</b>	—	<b>731,880</b>
	<b>134,108,127</b>	<b>40,510,669</b>	<b>174,618,796</b>
	Operations	Capital	2022 Total
	\$	\$	\$
Federal Government Transfers			
Indigenous Services Canada	111,528,257	50,131,895	161,660,152
Canada Mortgage and Housing Corporation	4,819,652	—	4,819,652
Manitoba Keewatinowi Okimakanak	2,337,616	—	2,337,616
Assembly of Manitoba Chiefs	809,046	—	809,046
	<b>119,494,571</b>	<b>50,131,895</b>	<b>169,626,466</b>
Operations	Capital	2023 Total	
\$	\$	\$	
Provincial Government Transfers			
Northern Regional Health Authority	<b>651,300</b>	—	<b>651,300</b>
Manitoba Justice Department	<b>295,052</b>	—	<b>295,052</b>
Minister of Finance	<b>1,632,555</b>	—	<b>1,632,555</b>
Northern Affairs Fund	<b>197,274</b>	—	<b>197,274</b>
	<b>2,776,181</b>	—	<b>2,776,181</b>
	Operations	Capital	2022 Total
	\$	\$	\$
Provincial Government Transfers			
Northern Regional Health Authority	651,300	—	651,300
Manitoba Justice Department	815,018	—	815,018
Minister of Finance	1,440,138	—	1,440,138
Northern Affairs Fund	184,940	—	184,940
	<b>3,091,396</b>	—	<b>3,091,396</b>

## 18. Accumulated surplus

Accumulated surplus includes the following restricted reserve:

	<b>2023</b> \$	2022 \$
Unrestricted operating surplus		
Balance, beginning of year	<b>1,486,483</b>	4,054,403
Transfer to invested in tangible capital assets	<b>(61,055,696)</b>	(66,543,060)
Transfer to replacement reserves	<b>(8,722)</b>	(1,004,151)
Current year surplus	<b>55,903,719</b>	64,979,291
	<b>(3,674,216)</b>	1,486,483
Replacement reserves (CMHC)		
Balance, beginning of year	<b>3,469,735</b>	2,465,584
Transfer from unrestricted operating surplus	<b>244,835</b>	244,835
CMHC special contribution	<b>—</b>	840,000
Withdrawals from reserves/expenses	<b>(236,113)</b>	(80,684)
	<b>3,478,457</b>	3,469,735
Invested in tangible capital assets		
Balance, beginning of year	<b>232,321,419</b>	165,778,359
Amortization	<b>(15,627,803)</b>	(14,305,549)
Acquisitions	<b>69,405,314</b>	79,261,999
Proceeds on disposals	<b>(62,863)</b>	(1,495,189)
(Loss) gain on disposal of tangible assets	<b>(597,535)</b>	78,736
Long-term debt proceeds	<b>(1,456,724)</b>	(3,213,584)
Long-term debt repayments	<b>4,087,361</b>	6,216,647
Transfer from unrestricted operating surplus	<b>5,307,946</b>	—
	<b>293,377,115</b>	232,321,419
<b>Balance, end of year</b>	<b>293,181,356</b>	237,277,637

## 19. Contingencies

Norway House Cree Nation has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if Norway House Cree Nation fails to comply with the terms and conditions of the agreements.

## 20. Economic dependence

Norway House Cree Nation receives a major portion of its revenues pursuant to funding arrangements with Indigenous Services Canada.

## **21. Financial instruments**

### **Management of risks arising from financial instruments**

Norway House's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance NHCN's operations and to provide guarantees to support its operations. NHCN has trade and other receivables, cash, and cash held in trust that are derived directly from its operations. It also holds short-term deposits and investments in government business partnerships as part of its investing activities.

NHCN's activities expose it to a variety of financial risks: market risk (including interest risk), credit risk, and liquidity risk. NHCN's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on NHCN's financial performance. Risk management is the responsibility of the financial management team who have the appropriate skills, experience, and supervision. The financial management team identify, evaluate and, where appropriate, mitigate financial risks. Material risks are monitored and are discussed regularly with Chief and Council.

The risks associated with NHCN's financial instruments are as follows:

#### **Liquidity risk related to financial instruments**

Liquidity risk is the risk that Norway House will not be able to provide for sufficient cash and cash equivalents to meet its financial obligations when they come due. Norway House meets its liquidity requirements by preparing cash flows from operations, anticipating investing and financing activities, and holding assets that can be readily converted into cash. As at year end March 31st, 2023, Norway House has sufficient assets from cash and cash equivalents and accounts receivable to cover the total outstanding payable balance. In addition, Norway House has portfolio investments that can be readily converted into cash, as well as credit facilities to meet temporary fluctuations in cash requirements. The line of credit facility available at March 31, 2023 was \$5,000,000 (2022 - \$5,000,000).

NHCN's liquidity position and its management of liquidity and funding risk have not changed materially since March 31, 2022.

#### **Credit risk related to financial instruments**

Norway House is exposed to credit risk arising from the possibility that parties may default on their financial obligations, or if the government fails to meet its obligations in accordance with agreed terms. NHCN considers a financial asset in default when internal or external information indicates that it is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Cash and cash equivalents, cash held in trust, and portfolio investments are subject to credit risk however it is substantially reduced from these assets being held by low-risk institutions such as governments, and high-credit quality financial institutions that have been graded by third party agencies.

The credit risk associated with balances outstanding is minimized as the larger part of the balances would be from Provincial and Federal government funding, Norway House partners, and parties that sustain a good relationship with the organization. Security arrangements to secure funding are also arranged through multi year agreements between the government and Norway House. Additionally, accounts receivable is measured at amortized cost and analyzed by means of aging analysis. The maximum exposure to credit risk is represented by the carrying value of financial assets in the balance sheet.

## **21. Financial instruments (continued)**

### **Market risk related to financial instruments**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of currency risk, interest rate risk, and equity price risk.

#### *Foreign currency risk*

Foreign currency risk refers to the changes in cash flows or fair values as a result of fluctuations in the value of various foreign currencies and exposure. The functional currency of Norway House is the Canadian Dollar. Norway House Cree Nation does not engage in significant foreign currency transactions nor does it hold any foreign investments; therefore, foreign currency risk is minimal and NHCN has not entered into any foreign exchange hedging contracts.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. NHCN's exposure to interest rate risk primarily stems from holdings of debt instruments with a variable rate component.

As at March 31, 2023, the impact to the surplus a 100 basis point increase in interest rates would have been a decrease of approximately \$30,967 (2022 – decrease of \$31,722).

#### *Equity price risk*

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market price of equity instruments. NHCN's has investments in government business partnerships that are accounted for using the equity method however equity price risk is minimal as these are privately-held entities.

## **22. Budget**

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Chief and Council on May 3, 2022.

## **23. Comparative figures**

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.