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# Consolidated financial statements of Norway House Cree Nation

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March 31, 2024

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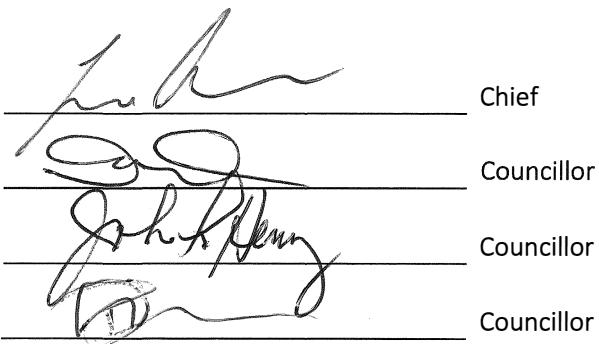
## Management's Responsibility for Financial Reporting

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.



The image shows four handwritten signatures of Norway House Cree Nation officials, each placed above a horizontal line. The first signature is for the Chief, the second for a Councillor, the third for another Councillor, and the fourth for a third Councillor. The signatures are in black ink on white paper.

Norway House, Manitoba

Chief

Councillor

Councillor

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, 2024, and the consolidated statements of operations, change in accumulated operating surplus, remeasurement losses, change 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, 2024, and its results of operations, its change in accumulated operating surplus, remeasurement losses, change 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 30, 2024

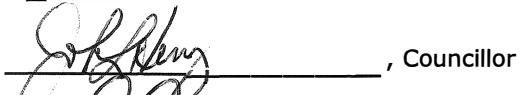
**Norway House Cree Nation**  
**Consolidated statement of financial position**  
As at March 31, 2024

	Notes	2024	2023
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	4	<b>14,706,864</b>	42,565,486
Accounts receivable	4	<b>10,093,335</b>	9,756,196
Loans receivable	5	<b>753,082</b>	653,082
Restricted cash	6	<b>6,848,438</b>	4,707,946
Portfolio investments	7	<b>1,465,437</b>	75,000
Investments in Government Business Partnerships	8	<b>4,970,320</b>	3,703,937
		<b>38,837,476</b>	<b>61,461,647</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	9	<b>12,182,833</b>	21,670,515
Long-term debt	10	<b>69,522,748</b>	61,084,867
Deferred revenue	11	<b>40,129,367</b>	38,520,240
		<b>121,834,948</b>	<b>121,275,622</b>
Net debt		<b>(82,997,472)</b>	<b>(59,813,975)</b>
<b>Non-financial assets</b>			
Tangible capital assets	12	<b>382,328,839</b>	343,935,661
Inventory	13	<b>1,302,223</b>	634,663
Deposits and prepaid expenses		<b>2,944,561</b>	8,425,007
		<b>386,575,623</b>	<b>352,995,331</b>
		<b>303,578,151</b>	<b>293,181,356</b>
<b>Accumulated surplus</b>			
<b>Accumulated surplus is comprised of:</b>			
Accumulated operating surplus	19	<b>303,869,130</b>	293,181,356
Accumulated remeasurement losses		<b>(290,979)</b>	—
		<b>303,578,151</b>	<b>293,181,356</b>
Contingencies	20		

The accompanying notes are an integral part of consolidated financial statements

Approved on behalf of the Council:

  
\_\_\_\_\_, Chief

  
\_\_\_\_\_, Councillor

  
\_\_\_\_\_, Councillor

  
\_\_\_\_\_, Councillor

**Norvp[**  
**Consolidated statement of operations**  
Year ended March 31, 2024

Notes	2024		2023
	Budget	\$	
<b>(Note 23)</b>			
<b>Funding revenue</b>			
Indigenous Services Canada (ISC)	<b>134,092,000</b>	<b>135,178,442</b>	129,058,974
Province of Manitoba	<b>2,884,000</b>	<b>3,820,940</b>	2,776,181
Keenanow Trust	—	<b>105,219</b>	2,300,072
Canada Mortgage and Housing Corporation	<b>2,327,000</b>	<b>1,936,829</b>	2,239,979
Manitoba Keewatinowi Okimakanak (MKO)	<b>2,158,000</b>	<b>2,592,586</b>	2,077,294
Assembly of Manitoba Chiefs	<b>760,000</b>	<b>572,741</b>	731,880
Other funding revenue	<b>363,000</b>	<b>539,195</b>	349,454
	<b>142,584,000</b>	<b>144,745,952</b>	139,533,834
<b>Own source revenue</b>			
Video lottery terminal (VLT)	<b>5,416,000</b>	<b>3,551,201</b>	5,212,868
Other own source revenue	<b>10,115,000</b>	<b>13,018,073</b>	9,735,520
Pharmacy sales	<b>4,507,000</b>	<b>4,685,622</b>	4,338,132
Rental income	<b>4,362,000</b>	<b>4,371,171</b>	4,198,304
Construction	<b>3,424,000</b>	<b>6,598,369</b>	3,295,290
Bingo events	<b>2,859,000</b>	<b>2,982,066</b>	2,751,872
JNR JV Proceeds	<b>2,434,000</b>	<b>2,215,112</b>	2,342,307
	<b>33,117,000</b>	<b>37,421,614</b>	31,874,293
Total revenue	<b>175,701,000</b>	<b>182,167,566</b>	171,408,127
<b>Funded expenditures</b>			
Education	<b>39,879,000</b>	<b>40,543,998</b>	38,382,155
Band support	<b>17,192,000</b>	<b>36,324,103</b>	16,546,687
Health services	<b>15,081,000</b>	<b>15,969,658</b>	14,514,852
Social services	<b>14,827,000</b>	<b>16,494,742</b>	14,270,754
Public works	<b>10,437,000</b>	<b>10,025,335</b>	10,045,378
Housing	<b>7,945,000</b>	<b>5,054,714</b>	7,646,650
Pinaow Wachi	<b>4,572,000</b>	<b>3,589,722</b>	4,400,034
Health Centre of Excellence	<b>4,495,000</b>	<b>9,813,206</b>	4,325,805
CMHC	<b>3,398,000</b>	<b>8,091,525</b>	3,270,013
Emergency services	<b>1,781,000</b>	<b>2,609,673</b>	1,714,539
Prevention	<b>1,426,000</b>	<b>2,280,862</b>	1,372,725
Keenanow Trust Secretariat	<b>1,384,000</b>	<b>457,840</b>	1,331,761
Employment and training	<b>1,370,000</b>	<b>1,947,113</b>	1,318,873
Assisted living	<b>1,041,000</b>	<b>716,437</b>	1,002,046
Safety officers program	<b>622,000</b>	<b>967,915</b>	598,185
Restorative justice	<b>177,000</b>	<b>240,541</b>	170,480
Youth	<b>128,000</b>	<b>120,539</b>	122,988
	<b>125,755,000</b>	<b>155,247,923</b>	121,033,925
<b>Own source expenditures</b>			
Enterprises	<b>25,317,000</b>	<b>25,510,104</b>	24,366,251
Parks, recreation and multi-plex	<b>4,546,000</b>	<b>3,762,952</b>	4,375,210
Muchipunowin	<b>3,573,000</b>	<b>3,234,714</b>	3,438,900
KSIW	<b>2,777,000</b>	<b>2,694,755</b>	2,672,353
Economic Development	—	<b>370,773</b>	—
Gaming Commission	<b>133,000</b>	<b>178,374</b>	128,438
	<b>36,346,000</b>	<b>35,751,672</b>	34,981,152
Total expenditures	<b>162,101,000</b>	<b>190,999,595</b>	156,015,077
<b>Operating (deficit) surplus before other capital contributions</b>			
ISC Health Centre of Excellence	<b>13,600,000</b>	<b>(8,832,029)</b>	15,393,050
ISC COVID domes	<b>19,772,000</b>	<b>16,736,921</b>	38,278,954
<b>Operating surplus</b>	<b>2,319,000</b>	<b>2,782,882</b>	2,231,715
	<b>35,691,000</b>	<b>10,687,774</b>	55,903,719

The accompanying notes are an integral part of consolidated financial statements

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

Year ended March 31, 2024

Notes	<b>2024</b>		<b>2023</b>	
		\$		\$
<b>Accumulated operating surplus, beginning of year</b>	19	<b>293,181,356</b>	237,277,637	
Operating surplus		<b>10,687,774</b>	55,903,719	
<b>Accumulated operating surplus, end of year</b>		<b>303,869,130</b>	293,181,356	

The accompanying notes are an integral part of consolidated financial statements

**Norway House Cree Nation**  
**Consolidated statement of remeasurement losses**  
Year ended March 31, 2024

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Note	<b>2024</b>		2023
	\$	\$	\$
<b>Accumulated remeasurement losses, beginning of year</b>	—	—	—
Unrealized losses attributable to:			
Portfolio investments (equity instruments)	7	<b>(290,979)</b>	—
<b>Accumulated remeasurement losses, end of year</b>		<b>(290,979)</b>	—

The accompanying notes are an integral part of consolidated financial statements

**Norway House Cree Nation**

**Consolidated statement of change in net debt**

Year ended March 31, 2024

	<b>2024 Budget</b>	<b>2024</b>	2023
	\$	\$	\$
<b>Operating surplus</b>	<b>(Note 23)</b>		
Acquisition of tangible capital assets	<b>35,691,000</b>	<b>10,687,774</b>	55,903,719
Proceeds on disposal of tangible capital assets	<b>(72,112,000)</b>	<b>(59,856,829)</b>	(69,405,314)
Net loss on disposal of tangible capital assets	<b>65,000</b>	<b>1,719,717</b>	62,863
Amortization of tangible capital assets	<b>621,000</b>	<b>3,429,211</b>	597,535
	<b>16,237,000</b>	<b>16,314,723</b>	15,627,803
	<b>(19,498,000)</b>	<b>(27,705,404)</b>	2,786,606
Change in inventory	<b>255,000</b>	<b>(667,560)</b>	245,842
Change in deposits and prepaid expenses	<b>295,000</b>	<b>5,480,446</b>	283,787
Unrealized measurement gains	<b>—</b>	<b>(290,979)</b>	—
	<b>550,000</b>	<b>4,521,907</b>	529,629
Decrease (increase) in net debt	<b>(18,948,000)</b>	<b>(23,183,497)</b>	3,316,235
Net debt, beginning of year	<b>(59,813,975)</b>	<b>(59,813,975)</b>	(63,130,210)
<b>Net debt, end of year</b>	<b>(78,761,975)</b>	<b>(82,997,472)</b>	(59,813,975)

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, 2024

	<b>2024</b> \$	2023 \$
<b>Operating activities</b>		
Operating surplus	<b>10,687,774</b>	55,903,719
Adjustments for non-cash items		
Amortization of tangible capital assets	<b>16,314,723</b>	15,627,803
Loss on disposal of tangible assets	<b>3,429,211</b>	597,535
(Income) loss from Government Business Partnerships	<b>(1,224,614)</b>	75,370
	<b>29,207,094</b>	72,204,427
Changes in non-cash working capital		
Accounts receivable	<b>(337,139)</b>	(551,653)
Loans receivable	<b>(100,000)</b>	525,959
Deposits and prepaid expenses	<b>5,480,446</b>	283,787
Inventory	<b>(667,560)</b>	245,842
Accounts payable and accrued liabilities	<b>(9,487,682)</b>	(2,883,341)
Deferred revenue	<b>1,609,127</b>	14,989,556
	<b>25,704,286</b>	84,814,577
<b>Financing activities</b>		
Long-term debt proceeds	<b>12,385,756</b>	11,983,040
Long-term debt repayments	<b>(3,947,875)</b>	(4,087,361)
	<b>8,437,881</b>	7,895,679
<b>Investing activities</b>		
Acquisition of tangible capital assets	<b>(59,856,829)</b>	(69,405,314)
Proceeds on disposal of tangible capital assets	<b>1,719,717</b>	62,863
Acquisition of portfolio investments	<b>(1,681,416)</b>	(75,000)
Proceeds from maturity of portfolio investments	<b>—</b>	7,292,500
Investments in Government Business Partnerships	<b>(785,606)</b>	(962,645)
Distributions from Government Business Partnerships	<b>743,837</b>	123,789
	<b>(59,860,297)</b>	(62,963,807)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(25,718,130)</b>	29,746,449
Cash and cash equivalents, beginning of year	<b>47,273,432</b>	17,526,983
Cash and cash equivalents, end of year	<b>21,555,302</b>	47,273,432
<b>Cash and cash equivalents consist of:</b>		
Cash and cash equivalents	<b>14,706,864</b>	42,565,486
Restricted cash	<b>6,848,438</b>	4,707,946
	<b>21,555,302</b>	47,273,432

The accompanying notes are an integral part of consolidated financial statements

# **Norway House Cree Nation**

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

March 31, 2024

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

Norway House Cree Nation (the "Entity" or the "NHCN") 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")

NHCN Health Centre of Excellence Ltd.  
("HCE")

4015029 Manitoba Ltd. (Molson Lake Lodge Parent Company)

4744757 Manitoba Ltd. (KSIW – 333 Maryland)

NHCN Broadband Inc.

Molson Lake Lodge 1978 Ltd.

NHCN Business Centre Inc.

Pinaow Wachi Inc.

Jean Folster Place Inc.

Norway House Pharmacy Ltd.

Playgreen Development Corporation ("PDC")

Norway House Pharmacy LP  
("Pharmacy")

NHCN Land Corporation

7133805 Manitoba Ltd. (Indigus Pharmacy LP Parent Company)

10058460 Manitoba Ltd. (Real Estate Holding 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. In relation to VLT revenue, NHCN is considered an agent for the purposes of revenue recognition, as an agent, the public sector entity only recognizes the fee of commission earned as revenue and thus balance's herein have been provided as of net revenue.

*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.

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

*Segments (continued)*

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:

*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.

*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.

## **Norway House Cree Nation**

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

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

### *Segments (continued)*

#### *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.

#### *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.

#### *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.

## **Norway House Cree Nation**

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

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## **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.

#### *Youth*

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

#### *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.

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

*Broadband*

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

*Playgreen Development Corporation*

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

*VLT Operations*

Department responsible for the operations of the video lottery terminals.

*Valuation of Financial Assets and Liabilities*

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

<b>Financial statement component</b>	<b>Measurement</b>
Cash and cash equivalents	Cost
Accounts receivable	Amortized cost
Loans receivable	Amortized cost
Restricted cash	Cost
Portfolio investments	Fair value
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

Investments consist of Guaranteed Investment Certificates and equity instruments.

Investments are recorded at the fair value with the associated unrealized gains or losses reflected in the consolidated statement of remeasurement losses. When an investment gain or loss is realized, the accumulated remeasurement gain or loss is reclassified to the consolidated statement of operations and accumulated operating surplus. When there has been a loss in market value that is determined not to be a temporary decline in value, the respective investment is written down to recognize the loss.

**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:

*Revenue*

Effective April 1, 2023, the Entity has adopted PSAS Section 3400, Revenue ("Section 3400"). Section 3400 establishes standards on how to account for and report revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

The application of Section 3400 has resulted in limited impact to the financial statements and the new standard has been applied retroactively.

**4. Accounts receivable**

	<b>2024</b>	2023
	\$	\$
Other AR	<b>6,783,850</b>	11,306,375
PDC customers	<b>2,494,505</b>	826,245
Manitoba Keewatinowi Okimakanak Inc. (MKO)	<b>2,367,092</b>	1,238,210
Broadband customers	<b>1,871,867</b>	1,271,486
Manitoba Hydro	<b>1,224,045</b>	637,478
Province of Manitoba	<b>971,120</b>	1,666,065
Indigenous Services Canada (ISC)	<b>688,614</b>	443,489
JNR Construction Joint Venture income	<b>616,469</b>	325,440
Camp Operations	<b>391,436</b>	—
Government remittances receivable	<b>375,996</b>	492,662
Pharmacy benefit providers	<b>98,703</b>	110,060
Keenanow Trust Secretariat receivables	<b>75,144</b>	99,060
Keewatinohk Inniw Minoayawin Inc. (KIM)	<b>19,470</b>	—
Bison Modular Homes	<b>—</b>	2,000,000
Allowance for doubtful accounts	<b>(7,884,976)</b>	(10,660,374)
	<b>10,093,335</b>	9,756,196

**5. Loans receivable**

	<b>2024</b>	2023
	\$	\$
Norway House Fisherman's Co-op Ltd.	<b>553,082</b>	553,082
Norway House Trappers Association	<b>200,000</b>	100,000
	<b>753,082</b>	653,082

NHCN Has provided interest-free loans to Fisherman's Co-op Ltd. and Trappers Association, these loans are non-interest bearing, with the amounts due in full by March 31, 2025. No collateral are held on the loans.

## **Norway House Cree Nation**

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

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#### **6. Restricted cash**

	<b>2024</b> \$	2023 \$
First Nations Finance Authority - debt reserve fund	<b>559,553</b>	530,841
First Nations Finance Authority - cash account	<b>106,746</b>	28,071
ISC - Trust funds	<b>182,588</b>	156,243
TIPI Insurance	<b>505,444</b>	—
CMHC - Replacement Reserve	<b>5,494,107</b>	3,992,791
	<b>6,848,438</b>	4,707,946

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

Pursuant to the financing arrangement that NHCN 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, NHCN earned interest of \$30,021 (\$4,525 in 2023) on the cash held in this debt reserve fund.

##### *First Nations Finance Authority - cash account*

NHCN's cash account held with the First Nations Finance Authority represents the remaining amount of payments that NHCN has made that have yet to be applied to principal or interest. During the year, NHCN earned interest of \$3,277 (\$427 in 2023) on the cash held.

##### *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.

##### *TIPI Insurance*

Tipi insurance holds funds in a self-insured trust which is a financial arrangement in which an entity pools funds to self-insure against certain risks. Instead of purchasing insurance from an external provider, the trust is established to manage and pay for claims out of the pooled funds. The fund earned an interest of \$5,445 (\$nil in 2023).

##### *CMHC - Replacement Reserve*

The replacement reserve is an amount of money prescribed by CMHC restricted for use towards specified housing projects. These funds are held in a separate account and reserved for when specific repair and renovation work is required on top of the original construction of the building and will be drawn out as needed until the balance prescribe for that building is used up.

## Norway House Cree Nation

### Notes to the consolidated financial statements

March 31, 2024

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#### 7. Portfolio investments

	2024		2023	
	Cost \$	Carrying value \$	Cost \$	Carrying value \$
Guaranteed investment certificates				
Royal Bank of Canada	75,000	75,000	75,000	75,000
Marketable securities	1,681,416	1,390,437	—	—
Total	1,756,416	1,465,437	75,000	75,000

Guaranteed investment certificates have effective interest rates of 0.75% (0.75% in 2023) and mature in less than one year.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the consolidated statement of remeasurement losses.

The entire balance of marketable securities related to the strategic investment in Flying Nickel Mining Corp. ("Flying Nickel"), to ensure the integrity and future of the Minago mine. These marketable securities are classified as a Level 1 investment as Flying Nickel is a quoted in an active market.

#### 8. Investments in Government Business Partnerships

	Ownership %	2023 Carrying amount \$	2024		2024 Carrying amount \$
			Contributions \$	Share of income (loss) \$	
Bison Container Homes	51	243,576	—	1,319,035	(743,837)
Kici Sipi Communications	50	3,263,662	717,615	41,258	—
Tower Camp	52	196,699	67,991	(135,679)	—
Total		3,703,937	785,606	1,224,614	(743,837)
	Ownership %	2022 Carrying amount \$	2023		2023 Carrying amount \$
			Contributions \$	Share of income (loss) \$	
Bison Container Homes	51	473,515	—	(106,150)	(123,789)
Kici Sipi Communications	50	2,288,140	951,447	24,075	—
Tower Camp	52	178,796	11,198	6,705	—
Total		2,940,451	962,645	(75,370)	(123,789)

#### 9. Accounts payable and accrued liabilities

	2024		2023
	\$	\$	\$
Accounts payable	7,238,633		9,959,439
Accrued liabilities	2,033,555		7,768,072
Payroll liabilities	2,712,236		3,724,044
Government remittances payable	198,409		218,960
	<b>12,182,833</b>		<b>21,670,515</b>

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2024

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**9. Accounts payable and accrued liabilities (continued)**

	Band \$	CMHC \$	Gaming Centre \$	HCE \$	KSBDC \$	KSIW \$	Keenanow Trust Secretariat \$	820 Taylor Ave \$
Accounts payable	<b>4,747,608</b>	<b>46,536</b>	<b>4,924</b>	<b>1,507,811</b>	<b>180,419</b>	<b>59,631</b>	<b>2,938</b>	<b>14,015</b>
Accrued liabilities	<b>239,368</b>	—	<b>5,250</b>	<b>1,444,494</b>	<b>14,000</b>	<b>6,000</b>	<b>23,600</b>	<b>182,520</b>
Payroll liabilities	<b>2,771,396</b>	—	—	—	—	—	—	—
Government remittances payable	<b>9,084</b>	—	—	—	<b>48,868</b>	<b>38,734</b>	—	—
	<b>7,767,456</b>	<b>46,536</b>	<b>10,174</b>	<b>2,952,305</b>	<b>243,287</b>	<b>104,365</b>	<b>26,538</b>	<b>196,535</b>
	Molson Lake Lodge \$	Muchipunowin \$	PDC \$	Pharmacy \$	Pinaow Wachi \$	York Boat Inn & Diner \$	2024 \$	2023 \$
Accounts payable	—	<b>12,193</b>	<b>244,501</b>	<b>136,909</b>	<b>249,987</b>	<b>31,161</b>	<b>7,238,633</b>	9,959,439
Accrued liabilities	<b>5,000</b>	<b>103,888</b>	—	(5,565)	<b>15,000</b>	—	<b>2,033,555</b>	7,768,072
Payroll liabilities	—	—	—	—	(59,160)	—	<b>2,712,236</b>	3,724,044
Government remittances payable	—	—	<b>93,467</b>	—	—	<b>8,256</b>	<b>198,409</b>	218,960
	<b>5,000</b>	<b>116,081</b>	<b>337,968</b>	<b>131,344</b>	<b>205,827</b>	<b>39,417</b>	<b>12,182,833</b>	21,670,515

**Norway House Cree Nation**  
**Notes to the consolidated financial statements**  
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**10. Long-term debt**

	<b>2024</b> \$	2023 \$
<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>153,870</b>	240,245
\$148,426 payable monthly including interest at 6.25%, maturing January 1, 2025, secured by a first charge on equipment and building.	<b>20,927,292</b>	21,382,114
\$33,020 payable monthly including interest at 3.80%, maturing December 7, 2024, secured by a first charge on equipment.	<b>292,526</b>	669,835
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>3,079,303</b>	3,096,717
<b>CMHC</b>		
Forgivable loan over 15 years, in 2025, as long as the building is used for a shelter.	<b>70,000</b>	105,000
<b>CWB National Leasing</b>		
\$1,132 payable monthly including interest at 6.81%, maturing May 31, 2024, secured by a first charge on equipment.	<b>2,490</b>	15,421
<b>Daimler</b>		
\$3,283 payable monthly including interest of 8.39%, maturing September 9, 2024, secured by a first charge on equipment.	<b>19,242</b>	55,362
<b>Ford Credit</b>		
\$1,149 payable monthly including interest at 7.48%, the loan was repaid in full on January 13, 2024, secured by a first charge on equipment.	—	11,102
\$1,196 payable monthly including interest at 7.48%, the loan was repaid in full on January 13, 2024, secured by a first charge on equipment.	—	11,557
\$593 payable monthly including interest at 9.08%, the loan was repaid in full on January 18, 2024, secured by a first charge on equipment.	—	12,546
Carry forward	<b>24,544,723</b>	25,599,899

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

	<b>2024</b> \$	2023 \$
Balance carried forward	<b>24,544,723</b>	25,599,899
\$663 payable monthly including interest at 2.02%, maturing May 24, 2024, secured by a first charge on equipment.	<b>9,163</b>	16,848
\$751 payable monthly including interest at 1.01%, maturing May 24, 2024, secured by a first charge on equipment.	<b>1,500</b>	10,449
\$653 payable monthly including interest at 0.00%, maturing October 27, 2025, secured by a first charge on equipment.	<b>12,403</b>	20,237
\$653 payable monthly including interest at 0.00%, maturing November 10, 2025, secured by a first charge on equipment.	<b>13,056</b>	20,890
\$781 payable monthly including interest at 0.00%, maturing November 10, 2025, secured by a first charge on equipment.	<b>15,626</b>	25,002
\$756 payable monthly including interest at 0.00%, maturing November 18, 2025, secured by a first charge on equipment.	<b>15,126</b>	24,202
\$829 payable monthly including interest at 0.99%, maturing September 27, 2027, secured by a first charge on equipment.	<b>34,226</b>	43,790
\$829 payable monthly including interest at 0.99%, maturing September 27, 2027, secured by a first charge on equipment.	<b>34,209</b>	43,767
<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>	10,526,320
<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 Kinosa Sipi Business Development Corporation and a loan guarantee signed by the Entity.	<b>190,900</b>	240,700
Carry forward	<b>42,766,252</b>	36,572,104

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

	<b>2024</b> \$	2023 \$
Balance carried forward	<b>42,766,252</b>	36,572,104
<b>Komatsu International (Canada) Inc.</b>		
\$8,971 payable monthly, 0% interest, the loan was repaid on April 1, 2023, secured by a first charge on equipment.	—	8,471
\$3,517 payable monthly, 0% interest, maturing April 1, 2024, secured by a first charge on equipment.	<b>3,517</b>	45,714
\$3,517 payable monthly, 0% interest, maturing April 1, 2024, secured by a first charge on equipment.	<b>3,517</b>	45,714
\$4,833 payable monthly, 0% interest, maturing April 1, 2024, secured by a first charge on equipment.	<b>4,833</b>	62,833
\$5,957 payable monthly, 6.00% interest, the loan was repaid on October 14, 2023, secured by a first charge on equipment.	—	40,875
\$5,548 payable monthly, 0% interest, maturing December 2, 2024, secured by a first charge on equipment.	<b>49,936</b>	116,516
\$7,037 payable monthly, 0% interest, maturing August 25, 2024, secured by a first charge on equipment.	<b>35,187</b>	119,637
\$6,492 payable monthly, 0% interest, maturing January 25, 2025, secured by a first charge on equipment.	<b>64,917</b>	142,817
\$8,429 payable monthly, 5.74% interest, maturing January 25, 2027, secured by a first charge on equipment.	<b>263,914</b>	347,298
\$8,429 payable monthly, 5.74% interest, maturing February 17, 2027, secured by a first charge on equipment.	<b>271,047</b>	354,034
\$14,673 payable monthly, 5.74% interest, maturing February 27, 2027, secured by a first charge on equipment.	<b>471,841</b>	616,306
\$3,534 payable monthly, 5.99% interest, maturing June 1, 2027, secured by a first charge on equipment.	<b>124,951</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>184,861</b>	233,852
<b>Scotiabank</b>		
\$1,191 payable monthly including interest at 1.99%, maturing November 3, 2026, secured by a first charge on equipment.	<b>37,091</b>	50,501
<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>3,247,095</b>	3,389,512
Carry forward	<b>47,528,959</b>	42,146,184

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

	<b>2024</b> \$	2023 \$
Balance carried forward	<b>47,528,959</b>	42,146,184
<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>110,570</b>	221,140
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>198,042</b>	374,667
Demand loan payable in monthly instalments of \$13,908 including interest at 5.44%, maturing June 1, 2028, 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>605,486</b>	735,986
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>319,133</b>	367,842
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>1,028,911</b>	1,164,231
Demand loan payable in monthly instalments of \$14,622 including interest at 3.24%, due on demand secured by 33 trailer units.	<b>1,156,697</b>	1,292,170
Demand loan payable in monthly instalments of \$10,552 including interest at 1.87%, maturing February 1, 2026, secured by teacherage units.	<b>820,275</b>	930,390
<b>CMHC Housing Projects</b>		
Canada Mortgage and Housing Corporation Mortgage payable, 1.80%, repayable in monthly instalments of \$5,786. The loan was repaid June 1, 2023.	<b>—</b>	17,302
Mortgage payable, bearing interest at 3.04%, repayable in monthly instalments of \$4,631, due July 1, 2026	<b>125,068</b>	176,011
Mortgage payable, bearing interest at 4.13%, repayable in monthly instalments of \$3,750, due October 1, 2027	<b>149,734</b>	187,601
Carry forward	<b>52,042,875</b>	47,613,524

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

	<b>2024</b> \$	2023 \$
Balance carried forward	<b>52,042,875</b>	47,613,524
Mortgage payable, bearing interest at 4.13%, repayable in monthly instalments of \$2,184, due September 1, 2027	<b>127,788</b>	160,935
Mortgage payable, bearing interest at 4.13%, repayable in monthly instalments of \$3,271, due September 1, 2027	<b>85,344</b>	107,481
Mortgage payable, bearing interest at 3.81%, repayable in monthly instalments of \$4,747, due March 1, 2028	<b>211,186</b>	259,156
Mortgage payable, bearing interest at 3.84%, repayable in monthly instalments of \$1,509, due January 1, 2029	<b>79,868</b>	95,513
Mortgage payable, bearing interest at 1.83%, repayable in monthly instalments of \$1,888, due November 1, 2024	<b>14,999</b>	37,159
Mortgage payable, bearing interest at 0.68%, repayable in monthly instalments of \$4,378, due August 1, 2025	<b>74,050</b>	125,893
Mortgage payable, bearing interest at 3.81%, repayable in monthly instalments of \$7,308, due March 1, 2028	<b>599,304</b>	662,980
Mortgage payable, bearing interest at 0.71%, repayable in monthly instalments of \$10,033, due November 1, 2025	<b>1,264,330</b>	1,375,310
Mortgage payable, bearing interest at 0.71%, repayable in monthly instalments of \$4,895, due November 1, 2025	<b>639,466</b>	693,452
Mortgage payable, bearing interest at 4.49%, repayable in monthly instalments of \$17,353, due October 1, 2028	<b>1,610,982</b>	1,752,205
Mortgage payable, bearing interest at 3.78%, repayable in monthly instalments of \$11,406, due February 1, 2029	<b>1,131,831</b>	1,232,181
Mortgage payable, bearing interest at 4.18%, repayable in monthly instalments of \$15,767, due December 1, 2028	<b>2,548,783</b>	2,665,017
Mortgage payable, bearing interest at 0.73%, repayable in monthly instalments of \$7,663, due July 1, 2025	<b>1,816,254</b>	1,894,627
Mortgage payable, bearing interest at 4.49%, repayable in monthly instalments of \$19,302, due October 1, 2028	<b>2,481,865</b>	1,592,447
Mortgage payable, bearing interest at 4.49%, repayable in monthly instalments of \$8,733, due October 1, 2028	<b>1,564,887</b>	394,857
Mortgage payable, bearing interest at 3.58%, repayable in monthly instalments of \$7,251, due January 1, 2029	<b>1,001,896</b>	252,631
Mortgage payable, bearing interest at 3.58%, repayable in monthly instalments of \$5,532, due January 1, 2029	<b>1,007,029</b>	—
Mortgage payable, terms to be determined upon completion of project.	<b>861,552</b>	—
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>69,226,113</b>	60,977,192

## Norway House Cree Nation

### Notes to the consolidated financial statements

March 31, 2024

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#### 10. Long-term debt (continued)

	2024 \$	2023 \$
Balance carried forward	<b>69,226,113</b>	60,977,192
<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.	47,953	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.	60,000	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	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	46,288
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.	40,900	—
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.	41,606	—
Total long-term debt	<b>69,522,748</b>	61,084,867

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.

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:

	2024 \$	2023 \$
Housing	<b>46,238,176</b>	43,815,310
Equipment	2,309,949	3,646,520
Building	20,974,623	13,623,037
	<b>69,522,748</b>	61,084,867

**Norway House Cree Nation****Notes to the consolidated financial statements**

March 31, 2024

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

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:

	\$
2025	4,264,280
2026	3,880,466
2027	3,674,129
2028	3,356,984
2029	2,990,033
Thereafter	<u>51,356,856</u>
	<u>69,522,748</u>

**11. Deferred revenue**

Deferred revenue consists of the following:

ISC - Health Centre of Excellence capital funding	<b>14,484,785</b>
ISC - Band funding	<b>9,874,347</b>
Frontier School Division	<b>2,368,089</b>
Assembly of Manitoba Chiefs (AMC)	<b>511,592</b>
Keenanow Trust	<b>757,436</b>
Manitoba Keeewatinowi Okimakanak (MKO)	<b>1,639,273</b>
Keeewatinohk Inniniw Minoayawin (KIM)	<b>249,035</b>
CMHC National Housing Co-Investment Fund	<b>147,393</b>
Daycare	<b>5,850,000</b>
Other	<b>4,247,417</b>
	<b>40,129,367</b>

	2024 \$	2023 \$
ISC - Health Centre of Excellence capital funding	22,613,286	
ISC - Band funding	10,753,569	
Frontier School Division	2,368,089	
Assembly of Manitoba Chiefs (AMC)	1,084,333	
Keenanow Trust	862,655	
Manitoba Keeewatinowi Okimakanak (MKO)	534,916	
Keeewatinohk Inniniw Minoayawin (KIM)	229,565	
CMHC National Housing Co-Investment Fund	—	
Daycare	—	
Other	73,827	
	<b>40,129,367</b>	38,520,240

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2024

**12. Tangible capital assets**

	<b>General tangible capital assets</b>				
	<b>Land &amp; land improvements</b> \$	<b>Buildings and leasehold improvements</b> \$	<b>Vehicles &amp; equipment</b> \$	<b>Computer hardware &amp; software</b> \$	<b>Housing</b> \$
Cost					
Opening 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>
Additions during the year	<b>154,257</b>	<b>3,932,712</b>	<b>7,580,548</b>	<b>927,758</b>	<b>8,197,199</b>
Disposals, write downs & transfers	<b>(26,500)</b>	<b>(158,102)</b>	<b>(5,134,564)</b>	<b>(47,718)</b>	<b>(1,574,844)</b>
Closing costs	<b>1,770,955</b>	<b>121,162,071</b>	<b>51,665,935</b>	<b>1,573,340</b>	<b>116,626,567</b>

Accumulated amortization					
Opening 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>
Amortization	<b>55,684</b>	<b>4,257,247</b>	<b>3,926,078</b>	<b>146,328</b>	<b>5,915,558</b>
Disposals, write downs & transfers	<b>—</b>	<b>(158,102)</b>	<b>(1,586,980)</b>	<b>(47,718)</b>	<b>—</b>
Closing accumulated amortization	<b>136,248</b>	<b>54,023,024</b>	<b>32,956,061</b>	<b>593,844</b>	<b>58,109,359</b>
Net book value of tangible capital assets	<b>1,634,707</b>	<b>67,139,047</b>	<b>18,709,874</b>	<b>979,496</b>	<b>58,517,208</b>

	<b>Infrastructure</b>				<b>2024</b> \$	<b>2023</b> \$
	<b>Roads &amp; sidewalks</b> \$	<b>Water &amp; sewer</b> \$	<b>Telecom</b> \$	<b>Construction in progress</b> \$		
Cost						
Opening 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>	<b>436,211,709</b>
Additions during the year	<b>—</b>	<b>34,101</b>	<b>1,810,279</b>	<b>37,219,975</b>	<b>59,856,829</b>	<b>69,405,314</b>
Disposals, write downs & transfers	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(6,941,728)</b>	<b>(808,764)</b>
Closing costs	<b>18,422,723</b>	<b>27,451,694</b>	<b>16,133,887</b>	<b>202,916,188</b>	<b>557,723,360</b>	<b>504,808,259</b>
Accumulated amortization						
Opening accumulated amortization	<b>11,170,983</b>	<b>11,847,906</b>	<b>4,543,268</b>	<b>—</b>	<b>160,872,598</b>	<b>145,393,161</b>
Amortization	<b>613,855</b>	<b>894,547</b>	<b>505,426</b>	<b>—</b>	<b>16,314,723</b>	<b>15,627,803</b>
Disposals, write downs & transfers	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,792,800)</b>	<b>(148,366)</b>
Closing accumulated amortization	<b>11,784,838</b>	<b>12,742,453</b>	<b>5,048,694</b>	<b>—</b>	<b>175,394,521</b>	<b>160,872,598</b>
Net book value of tangible capital assets	<b>6,637,885</b>	<b>14,709,241</b>	<b>11,085,193</b>	<b>202,916,188</b>	<b>382,328,839</b>	<b>343,935,661</b>

## Norway House Cree Nation

### Notes to the consolidated financial statements

March 31, 2024

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

	Band	HCE	CMHC	Broadband	KSIW	KSBDC	Pinaow Wachi
	\$	\$	\$	\$	\$	\$	\$
Cost							
Opening costs	280,443,719	143,528,092	36,355,188	12,463,271	7,455,075	8,514,853	6,930,332
Additions during the year	25,562,937	14,643,994	3,712,026	1,810,279	535,741	350,000	723,835
Disposals, write downs & transfers	(99,800)	(4,515,713)	(1,639,746)	—	—	—	—
Closing costs	305,906,856	153,656,373	38,427,468	14,273,550	7,990,816	8,864,853	7,654,167
Accumulated amortization							
Opening accumulated amortization	124,201,126	1,934,594	16,709,326	2,819,896	3,033,835	4,461,143	2,692,656
Amortization	12,175,369	735,096	1,732,903	445,614	287,530	281,980	338,955
Disposals, write downs & transfers	1,296,560	(1,081,040)	(1,321,851)	—	—	—	—
Closing accumulated amortization	137,673,055	1,588,650	17,120,378	3,265,510	3,321,365	4,743,123	3,031,611
Net book value of tangible capital assets	168,233,801	152,067,723	21,307,090	11,008,040	4,669,451	4,121,730	4,622,556
	4015029 MB York Boat Inn Ltd.	10058460 \$	Pharmacy	Molson Lake Lodge	Muchipunowin	Gaming	
	\$	\$	\$	\$	\$	\$	\$
Cost							
Opening costs	2,624,451	865,034	404,821	805,449	1,912,365	287,006	192,943
Additions during the year	175,646	—	—	30,000	—	—	—
Disposals, write downs & transfers	—	—	—	(47,718)	—	—	—
Closing costs	2,800,097	865,034	404,821	787,731	1,912,365	287,006	192,943
Accumulated amortization							
Opening accumulated amortization	1,454,852	—	39,761	631,593	1,893,289	158,005	134,326
Amortization	125,877	—	12,241	50,893	19,076	29,965	4,611
Disposals, write downs & transfers	—	—	—	(47,718)	—	—	—
Closing accumulated amortization	1,580,729	—	52,002	634,768	1,912,365	187,970	138,937
Net book value of tangible capital assets	1,219,368	865,034	352,819	152,963	—	99,036	54,006

**Norway House Cree Nation****Notes to the consolidated financial statements**

March 31, 2024

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

	<b>820 Taylor</b> \$	<b>Camp</b> \$	<b>Dental</b> \$	<b>2024 Total</b> \$	<b>2023 Total</b> \$
Cost					
Opening costs	—	1,386,909	638,751	504,808,259	436,211,709
Additions during the year	12,075,708	236,663	—	59,856,829	69,405,314
Disposals, write downs & transfers	—	—	(638,751)	(6,941,728)	(808,764)
Closing costs	12,075,708	1,623,572	—	557,723,360	504,808,259
Accumulated amortization					
Opening accumulated amortization	—	89,702	618,494	160,872,598	145,393,161
Amortization	—	54,356	20,257	16,314,723	15,627,803
Disposals, write downs & transfers	—	—	(638,751)	(1,792,800)	(148,366)
Closing accumulated amortization	—	144,058	—	175,394,521	160,872,598
Net book value of tangible capital assets	12,075,708	1,479,514	—	382,328,839	343,935,661

**Norway House Cree Nation****Notes to the consolidated financial statements**

March 31, 2024

**13. Inventory**

	<b>2024</b> \$	2023 \$
Norway House Pharmacy	<b>404,878</b>	415,433
Playgreen Development Corporation	<b>870,356</b>	200,513
Norway House Cree Nation Gaming Commission	<b>18,489</b>	10,217
Kinosao Sipi Business Development Corporation	<b>4,500</b>	4,500
York Boat Inn	<b>4,000</b>	4,000
	<b>1,302,223</b>	634,663

The net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. An inventory reserve is maintained to account for obsolescence and slow-moving items. The reserve is based on historical data and management's estimates of future obsolescence. As of the reporting date, the inventory reserve was \$154,153 (\$nil in 2023).

**14. Other own source revenue**

	<b>2024</b> \$	2023 \$
Interest	<b>3,783,368</b>	1,090,430
Environmental	<b>2,631,180</b>	1,113,219
Gain (loss) on investment - Bison Container Homes	<b>1,319,036</b>	(106,150)
Restaurant sales	<b>1,051,804</b>	1,197,743
Telecom revenue	<b>1,024,886</b>	1,006,862
Fuel sales	<b>987,658</b>	1,767,711
Other	<b>454,933</b>	726,430
KSMA renovations contract	<b>424,188</b>	—
Hotel room rentals	<b>397,980</b>	454,521
User fees - water and sewer	<b>378,948</b>	380,278
Sponsorships	<b>196,555</b>	237,212
Other revenue - multiplex	<b>136,486</b>	122,027
Other revenue - radio	<b>116,400</b>	115,320
Daycare fees	<b>114,752</b>	85,236
License fees	<b>73,456</b>	77,172
Coordinated community response	<b>49,920</b>	—
Settlements	<b>—</b>	1,000,000
(Loss) gain on investment - Tower JV	<b>(123,476)</b>	467,509
	<b>13,018,074</b>	9,735,520

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2024

**15. Segment disclosure**

	Assisted Living		Band Support		CMHC	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Revenue						
Federal government	<b>3,614,950</b>	7,085,752	<b>4,232,401</b>	5,349,467	<b>1,508,155</b>	3,238,594
Provincial government	—	—	<b>2,900,640</b>	1,729,829	—	—
Economic activities	<b>4,240</b>	6,150	<b>5,107,657</b>	3,965,133	<b>1,151,200</b>	1,051,879
Other revenue	—	—	<b>1,987,715</b>	1,559,855	<b>1,936,829</b>	—
Total revenue	<b>3,619,190</b>	7,091,902	<b>14,228,413</b>	12,604,284	<b>4,596,184</b>	4,290,473
Expenditures						
Salaries and benefits	<b>499,313</b>	458,293	<b>3,151,347</b>	3,288,963	—	—
Amortization	—	—	<b>12,195,622</b>	875,337	<b>1,732,903</b>	1,448,114
Debt servicing	—	—	<b>2,342,263</b>	1,773,941	<b>579,541</b>	224,818
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	—	—
Other expenses	<b>1,498,866</b>	5,454,659	<b>19,565,056</b>	10,872,470	<b>5,779,081</b>	1,597,081
Total expenditures	<b>1,998,179</b>	5,912,952	<b>37,254,288</b>	16,810,711	<b>8,091,525</b>	3,270,013
Annual surplus (deficit)	<b>1,621,011</b>	1,178,950	<b>(23,025,875)</b>	(4,206,427)	<b>(3,495,341)</b>	1,020,460

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2024

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**15. Segment disclosure (continued)**

	Economic Development		Education		Emergency Services	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
<b>Revenue</b>						
Federal government	<b>81,077</b>	199,575	<b>46,168,798</b>	48,380,241	<b>1,386,362</b>	668,796
Provincial government	—	—	<b>188,752</b>	159,236	—	—
Economic activities	—	—	<b>49,333</b>	48,133	—	—
Other revenue	<b>118,500</b>	144,913	<b>5,968</b>	20,622	—	—
<b>Total revenue</b>	<b>199,577</b>	344,488	<b>46,412,851</b>	48,608,232	<b>1,386,362</b>	668,796
<b>Expenditures</b>						
Salaries and benefits	<b>375,760</b>	247,755	<b>1,471,813</b>	1,483,833	<b>1,292,851</b>	1,351,855
Amortization	—	—	—	1,930,377	—	64,465
Debt servicing	—	—	—	—	—	—
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	—	—
Other expenses	<b>641,371</b>	379,977	<b>39,142,583</b>	34,999,672	<b>1,506,710</b>	362,640
<b>Total expenditures</b>	<b>1,017,131</b>	627,732	<b>40,614,396</b>	38,413,882	<b>2,799,561</b>	1,778,960
<b>Annual surplus (deficit)</b>	<b>(817,554)</b>	(283,244)	<b>5,798,455</b>	10,194,350	<b>(1,413,199)</b>	(1,110,164)

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2024

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**15. Segment disclosure (continued)**

	Employment and training		Enterprises		Gaming	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
<b>Revenue</b>						
Federal government	<b>1,919,924</b>	1,323,567	<b>100,000</b>	—	—	—
Provincial government	—	—	<b>1,126,752</b>	1,168,544	—	—
Economic activities	—	—	<b>23,219,927</b>	21,813,427	<b>205,260</b>	197,411
Other revenue	<b>18,598</b>	15,480	<b>49,149</b>	34,853	—	—
<b>Total revenue</b>	<b>1,938,522</b>	1,339,047	<b>24,495,828</b>	23,016,824	<b>205,260</b>	197,411
<b>Expenditures</b>						
Salaries and benefits	<b>807,483</b>	484,466	<b>6,857,453</b>	5,762,075	<b>28,192</b>	26,619
Amortization	—	—	<b>990,037</b>	2,566,584	<b>4,611</b>	4,612
Debt servicing	—	—	<b>89,758</b>	42,098	—	—
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	—	—
Other expenses	<b>1,088,764</b>	834,407	<b>18,099,425</b>	16,223,905	<b>193,571</b>	190,107
<b>Total expenditures</b>	<b>1,896,247</b>	1,318,873	<b>26,036,673</b>	24,594,662	<b>226,374</b>	221,338
<b>Annual surplus (deficit)</b>	<b>42,275</b>	20,174	<b>(1,540,845)</b>	(1,577,838)	<b>(21,114)</b>	(23,927)

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2024

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**15. Segment disclosure (continued)**

	H&W Foundation		Health Centre of Excellence		Health Services	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Revenue						
Federal government	—	—	<b>19,731,802</b>	40,510,669	<b>23,394,080</b>	18,503,762
Provincial government	—	—	—	—	—	—
Economic activities	—	—	—	—	<b>480,000</b>	—
Other revenue	<b>227</b>	121	<b>1,004,660</b>	293,207	<b>(5,400)</b>	6,927
Total revenue	<b>227</b>	121	<b>20,736,462</b>	40,803,876	<b>23,868,680</b>	18,510,689
Expenditures						
Salaries and benefits	—	—	<b>502,418</b>	122,991	<b>7,571,528</b>	6,652,966
Amortization	—	—	<b>735,100</b>	773,149	—	527,026
Debt servicing	—	—	—	—	—	—
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	—	—
Other expenses	—	—	<b>8,575,689</b>	3,429,665	<b>11,573,335</b>	9,785,425
Total expenditures	—	—	<b>9,813,207</b>	4,325,805	<b>19,144,863</b>	16,965,417
Annual surplus (deficit)	<b>227</b>	121	<b>10,923,255</b>	36,478,071	<b>4,723,817</b>	1,545,272

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2024

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**15. Segment disclosure (continued)**

	Housing		Keenanow Trust Secretariat		KSIW	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
<b>Revenue</b>						
Federal government	<b>1,278,035</b>	3,194,874	—	—	—	—
Provincial government	—	—	—	—	—	—
Economic activities	<b>246,228</b>	252,942	<b>148,771</b>	2,576,872	<b>2,631,310</b>	3,264,017
Other revenue	<b>446,952</b>	542,100	<b>321,292</b>	27,625	—	—
<b>Total revenue</b>	<b>1,971,215</b>	3,989,916	<b>470,063</b>	2,604,497	<b>2,631,310</b>	3,264,017
<b>Expenditures</b>						
Salaries and benefits	<b>2,290,883</b>	2,186,983	<b>210,641</b>	211,596	<b>700,740</b>	500,642
Amortization	—	4,085,093	—	—	<b>287,530</b>	265,310
Debt servicing	—	—	—	—	<b>257,712</b>	199,686
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	—	—
Other expenses	<b>2,855,274</b>	1,570,569	<b>248,325</b>	2,392,901	<b>1,448,772</b>	1,706,715
<b>Total expenditures</b>	<b>5,146,157</b>	7,842,645	<b>458,966</b>	2,604,497	<b>2,694,754</b>	2,672,353
<b>Annual surplus (deficit)</b>	<b>(3,174,942)</b>	(3,852,729)	<b>11,097</b>	—	<b>(63,444)</b>	591,664

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

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**15. Segment disclosure (continued)**

	Muchipunowin		Parks, Recreation, and Multi-Plex		Pinaow Wachi	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
<b>Revenue</b>						
Federal government	—	—	—	—	<b>1,281,346</b>	4,911,302
Provincial government	—	—	—	—	<b>651,300</b>	751,300
Economic activities	<b>2,982,066</b>	2,751,872	<b>246,904</b>	208,088	<b>368,814</b>	302,525
Other revenue	—	—	<b>158,694</b>	680,473	—	—
<b>Total revenue</b>	<b>2,982,066</b>	2,751,872	<b>405,598</b>	888,561	<b>2,301,460</b>	5,965,127
<b>Expenditures</b>						
Salaries and benefits	<b>484,811</b>	518,143	<b>1,491,390</b>	1,382,563	<b>2,431,701</b>	2,502,286
Amortization	<b>29,965</b>	34,624	—	641,951	<b>338,955</b>	255,834
Debt servicing	—	—	—	—	—	—
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	—	—
Other expenses	<b>2,935,895</b>	3,054,056	<b>2,477,007</b>	2,384,456	<b>820,187</b>	3,054,400
<b>Total expenditures</b>	<b>3,450,671</b>	3,606,823	<b>3,968,397</b>	4,408,970	<b>3,590,843</b>	5,812,520
<b>Annual surplus (deficit)</b>	<b>(468,605)</b>	(854,951)	<b>(3,562,799)</b>	(3,520,409)	<b>(1,289,383)</b>	152,607

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2024

**15. Segment disclosure (continued)**

	Prevention		Public Works		Restorative Justice	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Revenue						
Federal government	<b>23,974,463</b>	15,512,977	<b>10,459,659</b>	10,733,930	<b>90,000</b>	90,000
Provincial government	—	—	—	—	<b>80,000</b>	80,000
Economic activities	—	—	<b>2,834,174</b>	1,380,664	—	—
Other revenue	—	—	<b>7,991</b>	32,733	—	—
Total revenue	<b>23,974,463</b>	15,512,977	<b>13,301,824</b>	12,147,327	<b>170,000</b>	170,000
Expenditures						
Salaries and benefits	<b>114,358</b>	—	<b>4,025,406</b>	3,891,730	<b>70,787</b>	88,594
Amortization	—	—	—	2,139,673	—	—
Debt servicing	—	—	—	—	—	—
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	—	—
Other expenses	<b>2,166,504</b>	1,372,725	<b>7,234,840</b>	5,440,131	<b>191,944</b>	81,886
Total expenditures	<b>2,280,862</b>	1,372,725	<b>11,260,246</b>	11,471,534	<b>262,731</b>	170,480
Annual surplus (deficit)	<b>21,693,601</b>	14,140,252	<b>2,041,578</b>	675,793	<b>(92,731)</b>	(480)

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

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**15. Segment disclosure (continued)**

	Safety Officers Program		Social Services		Youth	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Revenue						
Federal government	—	—	<b>20,083,256</b>	19,744,173	<b>120,539</b>	368,876
Provincial government	<b>189,000</b>	215,052	—	—	—	—
Economic activities	—	—	—	—	—	—
Other revenue	—	—	—	—	—	—
Total revenue	<b>189,000</b>	215,052	<b>20,083,256</b>	19,744,173	<b>120,539</b>	368,876
Expenditures						
Salaries and benefits	<b>749,066</b>	570,665	<b>1,260,184</b>	611,620	<b>108,639</b>	122,988
Amortization	—	—	—	15,652	—	—
Debt servicing	—	—	—	—	—	—
Transfer	—	—	—	—	—	—
Interdepartmental	—	—	—	—	—	—
Other expenses	<b>218,849</b>	27,520	<b>15,245,867</b>	13,643,482	<b>11,900</b>	—
Total expenditures	<b>967,915</b>	598,185	<b>16,506,051</b>	14,270,754	<b>120,539</b>	122,988
Annual surplus (deficit)	<b>(778,915)</b>	(383,133)	<b>3,577,205</b>	5,473,419	—	245,888

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2024

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**15. Segment disclosure (continued)**

	Elimination		Total	
	2024 \$	2023 \$	2024 \$	2023 \$
Revenue				
Federal government	<b>(1,281,742)</b>	(4,910,906)	<b>158,143,105</b>	174,905,651
Provincial government	—	—	<b>5,136,444</b>	4,103,961
Economic activities	<b>(7,065,457)</b>	(7,315,965)	<b>32,610,427</b>	30,503,148
Other revenue	<b>(253,782)</b>	(952,871)	<b>5,797,393</b>	2,406,036
Total revenue	<b>(8,600,981)</b>	(13,179,742)	<b>201,687,369</b>	211,918,796
Expenditures				
Salaries and benefits	—	—	<b>36,496,765</b>	32,467,627
Amortization	—	—	<b>16,314,724</b>	15,627,801
Debt servicing	—	—	<b>3,269,274</b>	2,240,543
Transfer	—	—	—	—
Interdepartmental	—	—	—	—
Other expenses	<b>(8,600,981)</b>	(13,179,742)	<b>134,918,832</b>	105,679,106
Total expenditures	<b>(8,600,981)</b>	(13,179,742)	<b>190,999,595</b>	156,015,077
Annual surplus (deficit)	—	—	<b>10,687,774</b>	55,903,719

## Norway House Cree Nation

### Notes to the consolidated financial statements

March 31, 2024

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#### 16. Expense by object

The following is a summary of expenses by object:

	2024 \$	2023 \$
Administration	7,065,910	3,163,996
Amortization	16,314,723	15,627,803
Bad debt	737,992	1,790,944
Bank Charges	157,116	368,224
Cost of Goods Sold	30,744,694	32,053,556
Debt servicing	3,270,178	2,240,543
Event expense	2,425,812	2,420,991
Funerals	772,633	973,189
Insurance	1,626,253	1,201,994
Loss on disposal of capital assets	3,429,211	597,535
Professional fees	17,919,839	8,219,839
Program costs	47,092,484	36,152,282
Rent	835,975	831,624
Repairs and maintenance	4,676,004	4,810,744
Salaries and benefits	36,496,766	32,467,627
Supplies	8,263,962	5,976,667
Training	732,175	356,661
Travel	6,063,932	4,481,114
Utilities	2,373,936	2,279,744
	<b>190,999,595</b>	<b>156,015,077</b>

#### 17. Pension plan

Norway House Cree Nation provides a defined contribution pension plan to its employees. The net expense for the year is \$409,178 (\$380,731 in 2023).

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

#### 18. Government transfers

	Operations \$	Capital \$	2024 Total \$
Federal Government Transfers			
Indigenous Services Canada	135,178,442	19,519,803	154,698,245
Canada Mortgage and Housing Corporation	1,936,829	—	1,936,829
Manitoba Keewatinowi Okimakanak	2,592,586	—	2,592,586
Assembly of Manitoba Chiefs	572,741	—	572,741
	<b>140,280,598</b>	<b>19,519,803</b>	<b>159,800,401</b>

**Norway House Cree Nation**

**Notes to the consolidated financial statements**

March 31, 2024

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**18. Government transfers(continued)**

	Operations	Capital	2023 Total
	\$	\$	\$
Federal Government Transfers			
Indigenous Services Canada	129,058,974	40,510,669	169,569,643
Canada Mortgage and			
Housing Corporation	2,239,979	—	2,239,979
Manitoba Keewatinowi Okimakanak	2,077,294	—	2,077,294
Assembly of Manitoba Chiefs	731,880	—	731,880
	<u>134,108,127</u>	<u>40,510,669</u>	<u>174,618,796</u>

Provincial Government Transfers			
Northern Regional Health Authority	<b>651,300</b>	—	<b>651,300</b>
Manitoba Justice Department	<b>679,000</b>	—	<b>679,000</b>
Minister of Finance	<b>2,286,239</b>	—	<b>2,286,239</b>
Northern Affairs Fund	<b>197,274</b>	—	<b>197,274</b>
Consumers' Association of Canada	<b>7,127</b>	—	<b>7,127</b>
	<u><b>3,820,940</b></u>	—	<u><b>3,820,940</b></u>

Provincial Government Transfers			
Northern Regional Health Authority	651,300	—	651,300
Manitoba Justice Department	295,052	—	295,052
Minister of Finance	1,632,555	—	1,632,555
Northern Affairs Fund	197,274	—	197,274
	<u>2,776,181</u>	—	<u>2,776,181</u>

**19. Accumulated operating surplus**

Accumulated operating surplus includes the following restricted reserve:

**Norway House Cree Nation**  
**Notes to the consolidated financial statements**  
March 31, 2024

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	<b>2024</b>	2023
	\$	\$
Unrestricted operating surplus		
Balance, beginning of year	(3,674,216)	1,486,483
Transfer to invested in tangible capital assets	(29,955,297)	(61,055,696)
Transfer from (to) replacement reserves	3,478,457	(8,722)
Current year operating surplus	<b>10,687,774</b>	<b>55,903,719</b>
	<b>(19,463,282)</b>	<b>(3,674,216)</b>
Replacement reserves (CMHC)		
Balance, beginning of year	3,478,457	3,469,735
Transfer (to) from unrestricted operating surplus	(3,478,457)	244,835
Withdrawals from reserves/expenses	—	(236,113)
	<b>—</b>	<b>3,478,457</b>
Invested in tangible capital assets		
Balance, beginning of year	293,377,115	232,321,419
Amortization	(16,314,723)	(15,627,803)
Acquisitions	59,856,829	69,405,314
Proceeds on disposals	(1,719,717)	(62,863)
Loss on disposal of tangible assets	(3,429,211)	(597,535)
Long-term debt proceeds	(12,385,756)	(1,456,724)
Long-term debt repayments	3,947,875	4,087,361
Transfer from unrestricted operating surplus	—	5,307,946
	<b>323,332,412</b>	<b>293,377,115</b>
Balance, end of year	<b>303,869,130</b>	<b>293,181,356</b>

## 20. 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.

## 21. Economic dependence

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

**22. 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, loans receivable, cash and cash equivalents, and restricted cash 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 31, 2024, Norway House has sufficient assets from cash and cash equivalents, accounts receivable and loans receivable to cover the total outstanding payable balance. In addition, Norway House credit facilities to meet temporary fluctuations in cash requirements. The line of credit facility available at March 31, 2024 was \$5,000,000 (\$5,000,000 in 2023).

NHCN's liquidity position and its management of liquidity and funding risk have not changed materially since March 31, 2023.

*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, restricted cash, 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.

**22. 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, 2024, the impact to the surplus a 100 basis point increase in interest rates would have been a decrease of approximately \$30,793 (decrease of \$30,967 in 2023).

*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 an investment in Flying Nickel, however equity price risk is minimal as it relates to the single marketable security with a carrying value of \$1,390,437 (\$nil in 2023).

**23. 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, 2023.

**24. VLT revenue**

	<b>2024</b>	2023
	\$	\$
Revenue	<b>24,022,064</b>	25,653,764
Expenses	<b>20,470,863</b>	20,440,896
Net revenue	<b>3,551,201</b>	5,212,868

Following the adoption of Section 3400, VLT revenue has been presented within the consolidated statement of operations as net revenue. This adjustment has been retroactively applied to prior year figures.

**25. Comparative figures**

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