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MANTO SIDI CREE NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2024

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# MANTO SIPI CREE NATION

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MARCH 31, 2024

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Manto Sipi Cree Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.


Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.


Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Manto Sipi Cree Nation and meet when required.

  
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Chief

  
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Councillor

  
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Councillor

  
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Councillor

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Councillor

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Councillor

**INDEPENDENT AUDITOR'S REPORT**

To the Chief, Council and Membership  
Manto Sipi Cree Nation

**Opinion**

We have audited the accompanying consolidated financial statements of Manto Sipi Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Manto Sipi Cree Nation as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Basis for Opinion**

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

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

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

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

Those charged with governance are responsible for overseeing Manto Sipi Cree Nation's financial reporting process.

*(continued.....)*

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Manto Sipi Cree Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Manto Sipi Cree Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Manto Sipi Cree Nation 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 Group 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.

*Baker Tilly HMA LLP*

Winnipeg, Manitoba  
April 11, 2025

Chartered Professional Accountants



# MANTO SIPI CREE NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2024

2023

### FINANCIAL ASSETS

Cash (Note 3)	\$ 14,971,792	\$ 16,330,179
Restricted cash (Note 4)	58,051	67,329
Accounts receivable (Note 5)	3,318,525	1,488,418
Due from related entities (Note 6)	527,943	519,406
Investments (Note 7)	<u>320,385</u>	<u>320,385</u>
Total financial assets	<u>19,196,696</u>	<u>18,725,717</u>

### LIABILITIES

Accounts payable and accrued liabilities (Note 9)	6,967,518	3,084,214
Deferred revenue (Note 10)	8,575,445	11,142,182
Long term debt (Note 11)	<u>9,679,435</u>	<u>7,968,313</u>
Total liabilities	<u>25,222,398</u>	<u>22,194,709</u>
Net debt	<u>( 6,025,702)</u>	<u>( 3,468,992)</u>

### NON-FINANCIAL ASSETS

Tangible capital assets (Note 12)	93,079,454	86,954,823
Construction in progress (Note 13)	23,237,607	20,276,804
Prepaid expenses	<u>-</u>	<u>6,909</u>
Total non-financial assets	<u>116,317,061</u>	<u>107,238,536</u>
Accumulated surplus	\$ <u>110,291,359</u>	\$ <u>103,769,544</u>

Contingent liabilities (Note 14)

Approved on behalf of Council

Chief

Councillor

Councillor

Councillor

Councillor

Councillor



## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 4	2 0 2 3
<b>REVENUE</b>			
Indigenous Services Canada	\$ 6,575,442	\$ 33,834,109	\$ 33,773,331
First Nations and Inuit Health	2,317,363	4,308,112	2,573,499
Canada Mortgage and Housing Corporation	25,579	1,549,186	2,242,876
Employment and Social Development Canada	405,255	1,228,090	263,526
Administration	134,360	2,769,782	1,863,356
Joint venture income		665,399	1,045,344
Other	183,457	626,607	421,894
Province of Manitoba	221,643	1,018,910	617,122
Rental	245,034	1,056,273	722,248
Treaty Land Entitlement	36,020	1,033,318	61,943
User fees	48,000	30,471	18,141
Eliminations	-	( 3,159,110)	( 2,181,270)
	<u>10,192,153</u>	<u>44,961,147</u>	<u>41,422,010</u>
<b>EXPENDITURES</b>			
Governance and administration	1,592,633	5,831,555	2,131,262
Economic development	95,954	309,340	260,009
Community services	964,158	4,690,974	2,344,425
Capital and construction	716,905	5,711,727	3,984,807
Social services	2,713,192	4,701,280	4,646,440
Training and employment	304,435	939,900	358,519
Health	3,118,089	4,475,059	4,705,417
Child care	216,377	215,249	108,332
Education	3,959,190	13,617,365	8,948,025
Housing authority		1,105,993	1,000,537
Eliminations	-	( 3,159,110)	( 2,181,270)
	<u>13,680,933</u>	<u>38,439,332</u>	<u>26,306,503</u>
ANNUAL SURPLUS	( 3,488,780)	6,521,815	15,115,507
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>103,769,544</u>	<u>103,769,544</u>	<u>88,654,037</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 100,280,764</u>	<u>\$ 110,291,359</u>	<u>\$ 103,769,544</u>



# MANTO SIPI CREE NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	(UNAUDITED)	2 0 2 4	2 0 2 3
Annual surplus	<u>\$ ( 3,488,780)</u>	<u>\$ 6,521,815</u>	<u>\$ 15,115,507</u>
Acquisition of tangible capital assets and construction in progress		<u>( 15,254,074)</u>	<u>(17,951,825)</u>
Amortization of tangible capital assets	<u>-</u>	<u>6,168,640</u>	<u>3,526,800</u>
	<u>-</u>	<u>( 9,085,434)</u>	<u>(14,425,025)</u>
Acquisition of prepaid expenses			<u>( 6,909)</u>
Use of prepaid expenses	<u>-</u>	<u>6,909</u>	<u>63,780</u>
	<u>-</u>	<u>6,909</u>	<u>56,871</u>
CHANGE IN NET DEBT FOR YEAR	<u>( 3,488,780)</u>	<u>( 2,556,710)</u>	<u>747,353</u>
NET DEBT, <i>beginning of year</i>	<u>( 3,468,992)</u>	<u>( 3,468,992)</u>	<u>( 4,216,345)</u>
NET DEBT, <i>end of year</i>	<u>\$ ( 6,957,772)</u>	<u>\$ ( 6,025,702)</u>	<u>\$ ( 3,468,992)</u>



## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2024	2023
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from Indigenous Services Canada	\$ 28,394,732	\$ 33,755,084
Cash received from other sources	12,169,571	7,820,874
Cash paid to suppliers and employees	(28,380,479)	(25,930,564)
	<u>12,183,824</u>	<u>15,645,394</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and construction in progress	(15,254,074)	(17,951,825)
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt	2,209,117	
Repayment of long term debt	( 497,995)	( 572,768)
Advances to related parties - net	( 8,537)	( 1,680)
	<u>1,702,585</u>	<u>( 574,448)</u>
NET DECREASE IN CASH DURING YEAR	( 1,367,665)	( 2,880,879)
CASH, <i>beginning of year</i>	<u>16,397,508</u>	<u>19,278,387</u>
CASH, <i>end of year</i>	\$ <u>15,029,843</u>	\$ <u>16,397,508</u>
CASH COMPRISED OF		
Cash	\$ 14,971,792	\$ 16,330,179
Restricted cash	<u>58,051</u>	<u>67,329</u>
	\$ <u>15,029,843</u>	\$ <u>16,397,508</u>

# MANTO SIPI CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

#### *REPORTING ENTITY*

The Manto Sipi Cree Nation (M.S.C.N.) reporting entity includes the Manto Sipi Cree Nation government and all related entities which are accountable to M.S.C.N. and are either owned or controlled by M.S.C.N.

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination:

M.S.C.N. Programs:

- Manto Sipi Cree Nation
- Manto Sipi Cree Nation Housing Authority
- Amos Okemow Memorial Education Authority Inc.
- Manto Sipi Cree Nation Construction Ltd.

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

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

- God's River Development Corporation (o/a God's River Lodge)

The financial information for the God's River Development Corporation entity included in these financial statements is for the year ended October 31, 2022.

#### *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 and prepaid expenses.

#### *NET DEBT*

M.S.C.N.'s financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of M.S.C.N. is determined by its liabilities less its financial assets. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**TANGIBLE CAPITAL ASSETS*

Tangible capital assets include acquired, built, developed and improved 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.

Tangible capital assets acquired are stated at cost, with the exception of land which is recorded at the value assigned to it under the agreement with Canada Mortgage and Housing Corporation (C.M.H.C.). Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates:

Equipment	20 - 50%
Facility	2.5 - 5%
Roads	2.5%
Sewer Systems	2.5 - 6.66%
Vehicles	20 - 30%
Water Systems	2.5 - 6.66%

Amortization is computed at one-half of the annual amortization in the year of acquisition.

*INVESTMENTS*

Portfolio investments are recorded at cost, less an allowance to reflect any decline in value. M.S.C.N.'s investments in various commercial enterprises are accounted for using the modified equity method. Under the modified equity method, the cost of the investments are adjusted for M.S.C.N.'s share of the commercial enterprises' income or loss less dividends.

*SEGMENTS*

M.S.C.N. conducts its business through a number of reportable segments. These operating segments are established by management to facilitate the achievement of M.S.C.N.'s long-term objectives to aid in resource allocation decisions, and to assess operational performance.

*ASSET RETIREMENT OBLIGATION*

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets 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 at the present fair 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.

*REVENUE RECOGNITION*Government Transfers

Government transfers are recognized as revenue when the transfer is authorized and all eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability. Transfers with stipulations that result in a liability are recorded as deferred revenue on the statement of financial position and are subsequently recognized as revenue in the statement of operations as the liability is settled.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*Fees, Rental, and Other Revenue

Revenues are recognized for transactions with performance obligations when or as the performance obligations are satisfied by delivering the promised goods or services to the payor. If a transaction has multiple performance obligations the transaction price is allocated to each distinct good or service based on the stand-alone selling price as the basis of allocation. For transactions without performance obligations, revenues are recognized when the authority to claim or retain an inflow of economic resources and a past transaction or event that gives rise to an asset is present.

The components of hybrid transactions containing those with and without performance obligations are recognized separately. Variable or contingent consideration, concessionary terms and non-cash consideration in the determination of the transaction price, are considered when these elements are present.

For transactions when acting as Principal and with control of the goods or services prior to satisfying the performance obligation to the payor, revenue is recognized on a gross basis. For instances when acting as Agent and is only arranging for the provision of goods and services to a payor on behalf of another party, only the fee or commission, if any, is recognized as revenue.

Refund liabilities are recognized when there is an expectation to refund some, or all of the consideration received from a payor.

Voluntary and Non-Reciprocal Contributions

These amounts which are substantially comprised of donations and non-government grants and are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. If there are external restrictions associated with the amount, revenue is recognized when the terms of the restrictions are met.

*INCOME TAXES*

These consolidated financial statements do not reflect any provisions for corporation income and capital taxes as the individual incorporated enterprises consider themselves exempt from tax under Section 149(1)(d) of the Income Tax Act, Canada.

*FINANCIAL INSTRUMENTS*Measurement

The Cree Nation measures all of its financial assets and financial liabilities at cost or amortized cost, except for the following, which are measured at fair value without any adjustment for transaction costs: derivatives, marketable securities in equity instruments that are quoted in an active market and marketable securities that the Nation has elected to measure at fair value. The effective interest rate method is used to determine interest revenue or expenses for financial instruments measured at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and federal trust funds. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long term debt.

No financial assets are measured at fair value.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*Transaction costs

Transaction costs attributable to financial instruments measured at fair value are recognized in the Statement of Operations in the period incurred. Transaction costs for financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument.

Impairment

At the end of each reporting period, management assesses financial assets or groups of financial assets for evidence of objective impairment. An impairment loss is recognized in the Statement of Operations when there is a loss in value that is other than temporary. Future recoveries of impaired financial assets are recognized in the Statement of Operations when received.

*USE OF ESTIMATES*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those 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.

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

## 2. CHANGE IN ACCOUNTING POLICY

Effective April 1, 2023, the new accounting standard PS 3400 Revenue was adopted on a prospective basis. The standard outlines how revenue should be recognized, measured, and disclosed. It differentiates between transactions with performance obligations (exchange transactions) and those without (non-exchange transactions), providing guidance on when and how revenue is recognized in each case.

Revenue from transactions with performance obligations should be recognized when or as the First Nation satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when the First Nation:

- has the authority to claim or retain an inflow of economic resources; and
- identifies a past transaction or event that gives rise to an asset

The adoption of PS 3400 did not have a significant impact on the financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

## 3. CASH

Cash is comprised of the following:

	2 0 2 4	2 0 2 3
Unrestricted		
Manto Sipi Cree Nation	\$ 8,227,886	\$ 8,735,817
Amos Okemow Memorial Education Authority Inc.		
Operating	4,860,670	5,582,944
School Project	658,769	840,567
School Project - Holdback	9	10,008
Manto Sipi Housing Authority	<u>1,224,458</u>	<u>1,160,843</u>
	<u>\$ 14,971,792</u>	<u>\$ 16,330,179</u>

## 4. RESTRICTED CASH

*REPLACEMENT RESERVE*

Under the terms of the operating agreements with C.M.H.C., the Replacement Reserve is to be credited with an annual allocation of \$62,800 (2023 - \$59,100). These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by C.M.H.C. from time to time. The funds in the account may only be used as approved by C.M.H.C. Expenditures are charged to accumulated interest first and then to principal. As of March 31, 2024 an accumulated balance of \$246,635 (2023 - \$174,528) for this reserve remains unfunded and due from the operating fund.

*I.S.C. TRUST*

Capital trust monies are derived from non-renewable resource transactions on the sale of lands or other band tangible capital assets. Capital trust monies are expended on the authorization of the Minister, with the consent of the First Nation Council. Revenue trust monies are generated primarily through land-leasing transactions or interest earned on deposits in the Consolidated Revenue fund of the Government of Canada. Revenue trust monies are, in most cases, managed and expended by the bands under the provisions of the Indian Act.

At the end of the year, the restricted cash consisted of the following balances:

	2 0 2 4	2 0 2 3
<b>I.S.C. Trust</b>		
BALANCE, <i>beginning of year</i>	\$ 3,445	\$ 3,341
Add interest earned	<u>117</u>	<u>104</u>
BALANCE, <i>end of year</i>	<u>3,562</u>	<u>3,445</u>
 <b>C.M.H.C. Replacement Reserve</b>		
BALANCE, <i>beginning of year</i>	63,884	36,888
Interest and net transfers	<u>( 9,395)</u>	<u>26,996</u>
BALANCE, <i>end of year</i>	<u>54,489</u>	<u>63,884</u>
 TOTAL	<u>\$ 58,051</u>	<u>\$ 67,329</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

## 5. ACCOUNTS RECEIVABLE

	2 0 2 4	2 0 2 3
Indigenous Services Canada		
A&C Water - MSI Professional Housing Units	\$ 270,472	\$ 270,472
Band Support Funding		211,787
Capital Investments		15,875
Design - Construction	35,460	37,935
High Cost Special Education	85,958	
ISC Landfill Construction	678,986	
Preparedness and Mitigation	2,771	
Project Administration	7,500	
Service Delivery	146,603	
Wastewater O&M	260,363	
Canada Mortgage and Housing Corporation	52,518	11,500
M.K.O. Employment, Training and Child Care	385,913	100,622
Province of Manitoba	93,065	143,749
Assembly of Manitoba Chiefs - ELCC	1,164,714	696,478
Trade and other	<u>262,347</u>	<u>123,252</u>
	<u>3,446,670</u>	<u>1,611,670</u>
Less: Allowance for doubtful accounts	<u>( 128,145)</u>	<u>( 123,252)</u>
	<u>\$ 3,318,525</u>	<u>\$ 1,488,418</u>

## 6. DUE FROM RELATED ENTITIES

	2 0 2 4	2 0 2 3
God's River Development Corporation (o/a God's River Lodge)	\$ <u>527,943</u>	\$ <u>519,406</u>

The amounts due from related entities are non-interest bearing and have no set repayment terms.

## 7. INVESTMENTS

	2 0 2 4	2 0 2 3
God's River Development Corporation (o/a God's River Lodge)	\$ <u>320,385</u>	\$ <u>320,385</u>

## 8. BANK INDEBTEDNESS

M.S.C.N. has an operating line of credit with the Me-Dian Credit Union to a maximum of \$200,000 bearing interest at 7.20% and is secured by a general security agreement, unlimited guarantee from Manto Sipi Cree Nation with Band Council Resolution. As of March 31, 2024, the balance on this line of credit was nil (2023 - nil).



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Indigenous Services Canada		
Basic Needs	\$ 45,715	\$ 45,715
Special Needs	537	537
First Nations and Inuit Health		
Home and Community Care	29,072	
Medical Transportation - Admin	528	
Accrued liabilities	118,352	146,611
Payroll remittances payable	927,635	467,093
School project payables	39,769	14,458
Trade and other	<u>5,805,910</u>	<u>2,409,800</u>
	<u>\$ 6,967,518</u>	<u>\$ 3,084,214</u>

## 10. DEFERRED REVENUE

	Balance, beginning of year	Funding received 2024	Funding recognized 2024	Balance, end of year
Indigenous Services Canada				
Adult Education	\$ 156,292	\$ 156,292	\$ 312,584	\$
Band Garage Remediation Project	1,086,318	1,431,300	2,256,111	261,507
FNCFS Renovation		470,202		470,202
Firesmart		153,555	73,000	80,555
ISC Capital - Truck Garage	274,599		274,599	
ISC Housing Renovations (Project #CSK33)	650,000		148,985	501,015
ISC Housing Renovations (Project #CSK63)	329,483		329,483	
ISC Landfill Construction	2,969,094	4,778,037	6,282,812	1,464,319
ISC New Housing 23-24		1,282,260	715,746	566,514
Manitoba Schools Initiative - School Project	870,403	9,033	226,375	653,061
MSI Professional Housing Units - A&C Water	320,472		50,000	270,472
MSI Teacherages - Planning, Design And Construction	1,578,850	330,572	1,066,397	843,025
Nursing Residence Repair Project	216,945	206,787	154,598	269,134
School Backup Generator	<u>625,935</u>	<u>809,369</u>	<u>522,496</u>	<u>912,808</u>
	<u>9,078,391</u>	<u>9,627,407</u>	<u>12,413,186</u>	<u>6,292,612</u>
First Nations and Inuit Health				
Jordan's Principle	<u>241,722</u>	<u>-</u>	<u>241,722</u>	<u>-</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

10. DEFERRED REVENUE *(continued)*

	Balance, beginning of year	Funding received 2024	Funding recognized 2024	Balance, end of year
Other				
Child Care		588,575	215,249	373,326
Early Learning and Child Care Strategy	1,013,842	689,843		1,703,685
Training and Youth Projects/Outreach	105,070	135,055	165,310	74,815
K.T.C. Communicable Disease Health	2,307			2,307
Assembly of Manitoba Chiefs		128,700		128,700
C.M.H.C. Rapid Housing Initiative	564,626		564,626	
C.M.H.C. Housing Repairs Project	136,224	-	136,224	-
	<u>1,822,069</u>	<u>1,542,173</u>	<u>1,081,409</u>	<u>2,282,833</u>
	<u>\$ 11,142,182</u>	<u>\$ 11,169,580</u>	<u>\$ 13,736,317</u>	<u>\$ 8,575,445</u>

## 11. LONG TERM DEBT

	2 0 2 4	2 0 2 3
Demand loan payable to Kitayan Community Futures Development Corporation Inc., 7%, repayable in monthly installments of \$2,873 (P&I), due July 2021.	\$ 12,957	\$ 12,957
Demand loan payable to First Peoples Economic Growth Fund Inc., 7%, repayable in monthly installments of \$2,323 (P&I), due September 2025.	39,585	63,757
Loan payable C.M.H.C., 3.98%, repayable in monthly installments of \$11,506 (P & I), due November 2027.	1,011,953	1,107,912
Loan payable C.M.H.C., 3.04%, repayable in monthly installments of \$616 (P&I), due February 2027.	20,608	27,265
Loan payable C.M.H.C., 3.04%, repayable in monthly installments of \$11,995 (P & I), due June 2027.	1,049,969	1,160,295
Loan payable C.M.H.C., 1.87%, repayable in monthly installments of \$2,749 (P&I), due May 2024.	305,292	332,301
Loan payable C.M.H.C., 0.74%, repayable in monthly installments of \$6,027 (P&I), due February 2026.	769,406	835,766
Loan payable C.M.H.C., 3.04%, repayable in monthly installments of \$6,720 (P&I), due June 2027.	879,583	932,706
Loan payable C.M.H.C., 3.74%, repayable in monthly installments of \$6,033 (P&I), due June 2028.	793,101	836,237
Loan payable C.M.H.C., 1.22%, repayable in monthly installments of \$3,761 (P&I), due July 2026.	686,586	723,096

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

11. LONG TERM DEBT *(continued)*

	2 0 2 4	2 0 2 3
Loan payable C.M.H.C., 2.14%, repayable in monthly installments of \$4,250 (P&I), due March 2024.	830,056	862,951
Loan payable C.M.H.C., 0.8%, repayable in monthly installments of \$3,302 (P&I), due May 2025.	600,682	635,341
Loan payable C.M.H.C., 3.9%, repayable in monthly installments of \$4,523 (P&I), due July 2028.	849,723	
Loan payable C.M.H.C., 4.18%, repayable in monthly installments of \$5,301 (P&I), due December 2028.	999,639	
C.M.H.C. mortgage advances to be converted to long term debt upon completion of Phase 13, 3 unit housing project.	830,295	431,703
Demand loan payable to First People Economic Growth Fund Inc. 0%, repayable in monthly installments of \$3,571 (P&I).	-	6,026
	<u>\$ 9,679,435</u>	<u>\$ 7,968,313</u>

Loans payable to Canada Mortgage and Housing Corporation are secured by the specific assets financed and a ministerial guarantee by the Government of Canada.

Loans payable to Me-Dian Credit Union are secured by a general security agreement, the specific assets financed and various Band Council Resolutions authorizing the assignment of certain incoming funding for debt repayment purposes.

Loans payable to Kitayan Community Futures Development Corporation Inc. are secured by a general security agreement on the specific assets financed.

The estimated annual principal payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2025	\$ 1,420,150
2026	580,562
2027	582,787
2028	592,959
2029	610,408

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

## 12. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Disposals, Write-offs & Adjustments	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2 0 2 4	Total 2 0 2 3
Equipment	\$ 1,920,183	\$ 925,450		\$ 2,845,633	\$ 1,377,805	\$ 268,576	\$ 1,646,381	\$ 1,199,252	\$ 542,378
Facilities	94,105,454		8,659,356	102,764,810	27,623,383	3,841,494	31,464,877	71,299,933	66,482,071
Land	220,000			220,000				220,000	220,000
Roads	4,268,994			4,268,994	1,571,709	102,037	1,673,746	2,595,248	2,697,285
Sewer systems	12,523,753			12,523,753	5,340,013	459,060	5,799,073	6,724,680	7,183,740
Vehicles	6,520,817	2,658,465		9,179,282	4,860,595	982,917	5,843,512	3,335,770	1,660,222
Water systems	14,856,691	50,000	-	14,906,691	6,687,564	514,556	7,202,120	7,704,571	8,169,127
	<u>\$134,415,892</u>	<u>\$ 3,633,915</u>	<u>\$ 8,659,356</u>	<u>\$146,709,163</u>	<u>\$ 47,461,069</u>	<u>\$ 6,168,640</u>	<u>\$ 53,629,709</u>	<u>\$ 93,079,454</u>	<u>\$ 86,954,823</u>

## 13. CONSTRUCTION IN PROGRESS

	2 0 2 4	2 0 2 3
I.S.C. - Landfill	\$ 12,469,307	\$ 6,186,495
I.S.C. - New Housing 2019-2020		1,964,026
I.S.C. - New Housing 2020-2021		1,353,703
I.S.C. - New Housing 2023-2024	715,746	
I.S.C. - School Backup Generator Project	1,496,761	974,265
I.S.C. - 16-unit Teacherages Project	3,102,432	2,036,035
I.S.C. - Church Building Project	291,218	
I.S.C. - Cabin Building Project	417,694	
F.N.I.H. - Jordan's Principle Building	1,607,607	1,094,233
C.M.H.C. Housing	659,457	4,753,188
MSCN Hockey Rink Project	2,477,385	1,914,859
	<u>\$ 23,237,607</u>	<u>\$ 20,276,804</u>

Construction in progress will be transferred to tangible capital assets upon completion and will be amortized accordingly.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

## 14. CONTINGENT LIABILITIES

- (a) M.S.C.N. receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made. For accounting purposes any amounts assessed or claims paid will be accounted for in the year of determination.
- (b) M.S.C.N. is contingently liable as guarantor of loans for Gods River Economic Development Corp. in the aggregate amount of \$180,704 (2023 - \$180,704).

## 15. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 4	2 0 2 3
Agreement:	\$ 35,114,720	\$ 29,148,211
Plus: I.S.C revenue deferred from prior year	9,078,391	16,518,732
F.N.I.H. revenue deferred from prior year	241,722	
Less: I.S.C. revenue deferred to following year	( 6,292,612)	( 9,078,391)
F.N.I.H. revenue deferred to following year	-	( 241,722)
TOTAL I.S.C. AND F.N.I.H. REVENUE PER FINANCIAL STATEMENTS	<u>\$ 38,142,221</u>	<u>\$ 36,346,830</u>
REVENUE PER STATEMENT OF OPERATIONS ( <i>Statement 2</i> )		
Indigenous Services Canada	\$ 33,834,109	\$ 33,773,331
First Nations and Inuit Health	<u>4,308,112</u>	<u>2,573,499</u>
	<u>\$ 38,142,221</u>	<u>\$ 36,346,830</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

## 16. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 4	2 0 2 3
Administration	\$ 2,751,315	\$ 1,847,163
Amortization of capital assets	6,168,640	3,526,800
Community events and program activities	915,252	260,139
Donations	1,993,191	1,463,544
Equipment	101,606	66,054
Fuel and oil	163,455	219,532
Insurance	921,463	786,113
Interest	227,850	173,376
Office and overhead	348,455	192,567
Other	1,786,593	1,358,049
Professional fees	1,563,913	1,031,012
Repairs and maintenance	4,099,274	1,082,577
Salaries and benefits	9,395,215	7,741,699
Social assistance	4,437,360	3,966,660
Student support	1,032,264	833,940
Supplies	3,867,673	2,564,143
Training	104,218	322,814
Travel	1,383,367	735,302
Utilities	337,338	316,289
Eliminations	( 3,159,110)	( 2,181,270)
	<u>\$ 38,439,332</u>	<u>\$ 26,306,503</u>

## 17. ECONOMIC DEPENDENCE

M.S.C.N. receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada and Health Canada.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

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## 18. FINANCIAL INSTRUMENTS

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

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

**Liquidity risk related to financial instruments**

Liquidity risk is the risk that Manto Sipi Cree Nation will not be able to provide for sufficient cash and cash equivalents to meet its financial obligations when they come due. Manto Sipi Cree Nation meets its liquidity requirements by preparing cash flows from operations, anticipating investing and financing activities. As at year end March 31, 2024, Manto Sipi Cree Nation has sufficient assets from cash and accounts receivable to cover the total outstanding accounts payable and deferred revenue balances. In addition, Manto Sipi Cree Nation has credit facilities to meet temporary fluctuations in cash requirements. The line of credit facility available at March 31, 2024 was \$200,000 (2023 - \$200,000).

MSCN'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**

Manto Sipi Cree Nation is exposed to credit risk 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. MSCN 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.

The credit risk associated with balances outstanding is minimized as the larger part of the balances would be from Provincial and Federal government funding. Security arrangements to secure funding are also arranged through multi year agreements between the government and Manto Sipi Cree Nation. The maximum exposure to credit risk is represented by the carrying value of financial assets in the balance sheet.

**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. MSCN's exposure to rate risk primarily stems from holdings of debt instruments with a variable rate component.

In seeking to minimize the risks from interest rate fluctuations, the Cree Nation manages exposure through obtaining debt with fixed interest rates.



# MANTO SIPI CREE NATION

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## SEGMENTED INFORMATION

MARCH 31, 2024

### 19. SEGMENT DISCLOSURE

	Governance and Administration		Economic Development		Community services		Capital and construction	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues								
Federal Government								
ISC	\$ 3,935,456	\$ 1,081,039	\$ 80,322	\$ 206,732	\$ 4,917,024	\$ 2,523,558	\$ 9,744,319	\$ 5,547,503
CMHC	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>833,802</u>	<u>1,587,487</u>
Subtotal	3,935,456	1,081,039	80,322	206,732	4,917,024	2,523,558	10,578,121	7,134,990
Other revenue	<u>5,174,563</u>	<u>2,832,396</u>	<u>665,399</u>	<u>1,045,344</u>	<u>30,471</u>	<u>18,141</u>	<u>626,788</u>	<u>422,944</u>
Total revenue	<u>9,110,019</u>	<u>3,913,435</u>	<u>745,721</u>	<u>1,252,076</u>	<u>4,947,495</u>	<u>2,541,699</u>	<u>11,204,909</u>	<u>7,557,934</u>
Expenses								
Amortization							2,326,002	1,955,132
Debt servicing	3,844	5,718	3,774	5,406	137	159	310	270
Other	4,350,275	1,124,086	305,566	246,067	3,900,680	1,583,615	2,899,081	1,757,009
Salaries and benefits	<u>1,477,436</u>	<u>1,001,458</u>	<u>-</u>	<u>8,536</u>	<u>790,157</u>	<u>760,651</u>	<u>486,334</u>	<u>272,396</u>
Total expenses	<u>5,831,555</u>	<u>2,131,262</u>	<u>309,340</u>	<u>260,009</u>	<u>4,690,974</u>	<u>2,344,425</u>	<u>5,711,727</u>	<u>3,984,807</u>
Surplus (Deficit)	<u>\$ 3,278,464</u>	<u>\$ 1,782,173</u>	<u>\$ 436,381</u>	<u>\$ 992,067</u>	<u>\$ 256,521</u>	<u>\$ 197,274</u>	<u>\$ 5,493,182</u>	<u>\$ 3,573,127</u>

# MANTO SIPI CREE NATION

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## SEGMENTED INFORMATION

MARCH 31, 2024

### 19. SEGMENT DISCLOSURE (continued)

	Social services		Training and employment		Health		Child care	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues								
Federal Government								
ISC	\$ 4,789,492	\$ 4,491,474	\$ 148,585	\$ 135,141	\$ 180,024	\$ 2,277,940	\$	\$
FNIHB					4,308,112	2,573,499		
ESDC	-	-	1,012,841	161,088	-	-	215,249	102,438
Subtotal	4,789,492	4,491,474	1,161,426	296,229	4,488,136	4,851,439	215,249	102,438
Other revenue	-	-	-	-	-	2,120	-	5,892
Total revenue	<u>4,789,492</u>	<u>4,491,474</u>	<u>1,161,426</u>	<u>296,229</u>	<u>4,488,136</u>	<u>4,853,559</u>	<u>215,249</u>	<u>108,330</u>
Expenses								
Debt servicing	304	173			70	66		
Other	4,578,183	4,557,346	724,475	223,708	2,743,708	3,300,761	150,322	48,486
Salaries and benefits	<u>122,793</u>	<u>88,921</u>	<u>215,425</u>	<u>134,811</u>	<u>1,731,281</u>	<u>1,404,590</u>	<u>64,927</u>	<u>59,846</u>
Total expenses	<u>4,701,280</u>	<u>4,646,440</u>	<u>939,900</u>	<u>358,519</u>	<u>4,475,059</u>	<u>4,705,417</u>	<u>215,249</u>	<u>108,332</u>
Surplus (Deficit)	\$ <u>88,212</u>	\$ <u>(154,966)</u>	\$ <u>221,526</u>	\$ <u>(62,290)</u>	\$ <u>13,077</u>	\$ <u>148,142</u>	\$ <u>-</u>	\$ <u>(2)</u>

# MANTO SIPI CREE NATION

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## SEGMENTED INFORMATION

MARCH 31, 2024

### 19. SEGMENT DISCLOSURE (continued)

	Education		Housing authority		Eliminations		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues								
Federal Government								
ISC	\$ 10,038,887	\$ 17,509,944	\$ -	\$ -	\$ -	\$ -	\$ 33,834,109	\$ 33,773,331
FNIHB							4,308,112	2,573,499
CMHC			715,384	655,389			1,549,186	2,242,876
ESDC	-	-	-	-	-	-	1,228,090	263,526
Subtotal	10,038,887	17,509,944	715,384	655,389			40,919,497	38,853,232
Other revenue	12,000	105,297	691,539	317,914	( 3,159,110)	( 2,181,270)	4,041,650	2,568,778
Total revenue	10,050,887	17,615,241	1,406,923	973,303	( 3,159,110)	( 2,181,270)	44,961,147	41,422,010
Expenses								
Amortization	3,322,321	1,062,394	520,317	509,274			6,168,640	3,526,800
Debt servicing	2,751	2,080	216,660	159,504			227,850	173,376
Other	5,785,431	3,873,061	369,016	331,759	( 3,159,110)	( 2,181,270)	22,647,627	14,864,628
Salaries and benefits	4,506,862	4,010,490	-	-	-	-	9,395,215	7,741,699
Total expenses	13,617,365	8,948,025	1,105,993	1,000,537	( 3,159,110)	( 2,181,270)	38,439,332	26,306,503
Surplus (Deficit)	\$ ( 3,566,478)	\$ 8,667,216	\$ 300,930	\$ ( 27,234)	\$ -	\$ -	\$ 6,521,815	\$ 15,115,507