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MISIPAWISTIK CREE NATION  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

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# MISIPAWISTIK CREE NATION

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MARCH 31, 2024

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**INDEPENDENT AUDITOR'S REPORT**

To the Members  
Misipawistik Cree Nation

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The Pas, MB R9A 1L2

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**Opinion**

We have audited the accompanying consolidated financial statements of Misipawistik 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 Misipawistik 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 Misipawistik 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.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 21 in the consolidated financial statements, which discusses Misipawistik Cree Nation's debt load which is substantially financed by variable interest rate demand loans. As stated in Note 21, these events or conditions, along with other matters as set forth in Note 21, indicate that a material uncertainty exists that may cast significant doubt on Misipawistik Cree Nation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

In preparing the consolidated financial statements, management is responsible for assessing Misipawistik 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 Misipawistik Cree Nation or to cease operations, or has no realistic alternative but to do so.

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

*(continued.....)*

### **Auditor's Responsibility for the Audit of the Consolidated 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:

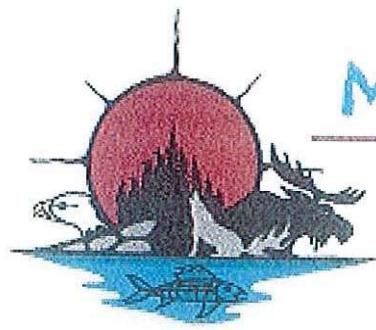
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Misipawistik 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 Misipawistik 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 Misipawistik 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.



Chartered Professional Accountants

The Pas, Manitoba  
December 13, 2024



# Misipawistik Cree Nation

P.O. Box 500, Grand Rapids, Manitoba R0C 1E0  
Ph: (204) 639-2219 / 2485 / 2486 / 2203 Fax: (204) 639-2503

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Misipawistik Cree Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimation and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Cree Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Cree Nation's assets are appropriately accounted for and adequately safeguarded.

The Cree Nation's Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Management reviews the Cree Nation's financial statements with Chief and Council and recommends their approval. The 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 annual report, the financial statements and the external auditors' report.

The consolidated financial statements have been audited by Baker Tilly HMA LLP in accordance with Canadian public sector accounting standards on behalf of the members. Baker Tilly HMA LLP have full and free access to Management and Chief and Council.

*Heidi Cook*

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Chief

*Annie Ballantyne*

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Councillor

*Yvonne Ballantyne*

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Councillor

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Councillor

# MISIPAWISTIK CREE NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

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### FINANCIAL ASSETS

Cash and cash equivalents <i>(Note 4)</i>	\$ 22,749,841	\$ 19,710,809
Short term investments <i>(Note 5)</i>	1,016,866	5,095,762
Trust funds held by federal government <i>(Note 6)</i>	3,240	3,846
Accounts receivable <i>(Note 7)</i>	4,179,401	4,093,741
Long term investments <i>(Note 8)</i>	<u>4,409,011</u>	<u>5,071,298</u>
	<u>32,358,359</u>	<u>33,975,456</u>

### LIABILITIES

Accounts payable and accrued liabilities <i>(Note 9)</i>	\$ 3,261,229	\$ 3,969,655
Deferred revenue <i>(Note 10)</i>	22,232,064	19,923,762
Long-term debt <i>(Note 11)</i>	<u>41,016,293</u>	<u>42,276,638</u>
	<u>66,509,586</u>	<u>66,170,055</u>
Net debt	<u>(34,151,227)</u>	<u>(32,194,599)</u>

### NON-FINANCIAL ASSETS

Prepaid expenses	783,594	748,613
Inventory	1,019	1,019
Tangible capital assets <i>(Note 12)</i>	<u>72,015,611</u>	<u>61,530,583</u>
	<u>72,800,224</u>	<u>62,280,215</u>
Accumulated surplus	<u>\$ 38,648,997</u>	<u>\$ 30,085,616</u>
Contingencies <i>(Note 13)</i>		

Approved on behalf of Council:

*Heidi Cook*

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*Annie Ballantyne*

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*Yvonne Ballantyne*

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# MISIPAWISTIK CREE NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

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### REVENUE

Indigenous Services Canada	\$ 26,917,310	\$ 34,438,992
Canada Mortgage and Housing Corporation	807,201	655,026
Assembly of Manitoba Chiefs		566,223
Canadian Environmental Assessment		168,680
Investment Income	1,075,760	1,446,230
Manitoba Hydro	1,206,500	1,213,376
Manitoba Keewatinowi Okimakanak	575,675	507,891
Province of Manitoba	89,600	89,049
Parks Canada	533,500	
Rent	444,175	448,315
Samuel Centre Social Connectedness	240,000	173,000
Swampy Cree Tribal Council	314,251	342,474
Tobacco Tax Rebate	256,559	288,568
Western Economic Diversification Canada		560,000
Other	4,221,599	2,857,847
Deferred Revenue from Previous Year	19,923,762	4,621,932
Deferred Revenue to Subsequent Year	( 22,232,064)	( 19,923,762)
Eliminations	( 2,380,134)	( 1,839,873)
	<u>31,993,694</u>	<u>26,613,968</u>

### EXPENDITURES

Administration	895,569	1,025,948
Community Development	10,087,180	9,670,666
Community Learning	2,555,420	1,734,178
Community Services	2,012,914	2,096,710
Health	6,947,066	5,129,446
Social Services	3,312,298	2,432,091
Eliminations	( 2,380,134)	( 1,839,873)
	<u>23,430,313</u>	<u>20,249,166</u>

ANNUAL SURPLUS	8,563,381	6,364,802
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ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>30,085,616</u>	<u>23,720,814</u>
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ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 38,648,997</u>	<u>\$ 30,085,616</u>
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# MISIPAWISTIK CREE NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	2 0 2 4	2 0 2 3
Annual surplus (deficit)	\$ <u>8,563,381</u>	\$ <u>6,364,802</u>
Acquisition of tangible capital assets	( <u>12,970,988</u> )	( <u>8,413,877</u> )
Amortization of tangible capital assets	<u>2,485,962</u>	<u>2,494,343</u>
	( <u>10,485,026</u> )	( <u>5,919,534</u> )
Use (acquisition) of prepaid expenses and deferred charges	( <u>34,983</u> )	( <u>133,761</u> )
CHANGE IN NET DEBT FOR YEAR	( <u>1,956,628</u> )	311,507
NET DEBT, <i>beginning of year</i>	( <u>32,194,599</u> )	( <u>32,506,106</u> )
NET DEBT, <i>end of year</i>	\$( <u>34,151,227</u> )	\$( <u>32,194,599</u> )

# MISIPAWISTIK CREE NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 2 4	2 0 2 3
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### CASH FLOW FROM

#### *OPERATING TRANSACTIONS*

Cash received from Indigenous Services Canada	\$ 26,726,346	\$ 34,463,992
Cash received from Manitoba Hydro	1,206,500	1,213,376
Cash received from other sources	6,946,380	5,764,509
Cash paid to suppliers and employees	( 15,058,895)	( 8,934,671)
Cash paid to employees	( 4,798,199)	( 4,277,624)
Interest paid	<u>( 1,830,663)</u>	<u>( 1,889,400)</u>
	<u>13,191,469</u>	<u>26,340,182</u>

#### *CAPITAL TRANSACTIONS*

Acquisition of tangible capital assets	<u>( 12,970,988)</u>	<u>( 8,413,877)</u>
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#### *FINANCING TRANSACTIONS*

Repayment of long term debt	( 1,260,345)	( 1,229,888)
Advances from long term debt	<u>-</u>	<u>1,004,361</u>
	<u>( 1,260,345)</u>	<u>( 225,527)</u>

#### CHANGE IN CASH DURING YEAR

CASH, <i>beginning of year</i>	<u>24,806,571</u>	<u>7,105,793</u>
CASH, <i>end of year (Note 4)</i>	<u>\$ 23,766,707</u>	<u>\$ 24,806,571</u>

#### CASH COMPRISED OF

Cash	\$ 22,749,841	\$ 19,710,809
Short term investments	<u>1,016,866</u>	<u>5,095,762</u>
	<u>\$ 23,766,707</u>	<u>\$ 24,806,571</u>

# MISIPAWISTIK CREE NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2024**

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *BASIS OF ACCOUNTING*

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 overseen by the Accounting Standards Oversight Council.

#### *REPORTING ENTITY*

The Misipawistik Cree Nation reporting entity includes the Misipawistik Cree Nation (the Cree Nation) government and all related entities that are controlled by the Cree Nation.

#### *PRINCIPLES OF CONSOLIDATION*

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the Cree Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the Cree Nation.

Organizations consolidated in the Cree Nation's financial statements include:

- Misipawistik Cree Nation Housing Authority
- Misipawistik Cree Nation Gaming Commission
- Misipawistik Cree Nation Health Authority Inc.
- Misipawistik Cree Nation Lands Division

Organizations accounted for by the modified equity basis include:

- Grand Rapids First Nation Development Corporation
- Chus-Chug-U Gaming Trust
- Pinesiw Energy Limited Partnership (1/2 interest)
- Misipawistik Telecommunications Cooperative
- Aseneskak Casino Limited Partnership (1/7 interest)
- Mahihkan Bus Lines Limited Partnership (1/6 interest)
- Grand Rapids First Nation Development Trust
- 10040628 Manitoba Ltd.

The Cree Nation reports and assesses these enterprises by major business line.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)******CASH AND CASH EQUIVALENTS***

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

***INVENTORY***

Inventories of goods available for resale are recorded at the lower of cost and net realizable value.

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

***TANGIBLE CAPITAL ASSETS***

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

Leases that transfer substantially all of the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the Cree Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis, over the expected useful life of the assets in the table that follows.

Automotive	5 years
Buildings	25-40 years
Office equipment	4-10 years
Housing	20-40 years
Land Improvements	30 years
Roads	40 years
Water and Sewer	25 years

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

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

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)******REVENUErecognition*****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.

**Fees, Rental, Sales 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 or 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.

**Taxation**

Revenue from taxation is recognized when the tax amount is authorized by Council, a taxable event has occurred, and the amount meets the definition of an asset. Taxes received in advance of the recognition criteria being met are recorded as a liability until the recognition criteria are satisfied.

**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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)******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.

***SEGMENT DISCLOSURES***

The Cree Nation is an Indigenous government focused on self-determination and self-government.

The services provided to its members are categorized into the following segments:

- Administration: Encompasses governance, oversight, and community management, including membership services.
- Community Development: Involves the growth and expansion of the community and its administration. This includes housing, capital projects, land management and planning, recreation, and capacity building.
- Community Learning: Pertains to the educational and knowledge development of community members.
- Community Services: Covers the daily operation and maintenance of community infrastructure, policing functions, and gaming regulation.
- Health: Focuses on delivery health-related programs to community members
- Social Services: Provides income support to members, addressing basic needs, special needs, and in-home care, along with related service delivery.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2024**

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### *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.

##### 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.

As all financial instruments are measured at cost or amortized cost, there have been no remeasurement gains or losses. Therefore the Statement of Remeasurement Gains (Losses) has been excluded.

#### *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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2024**

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### 2. CHANGE IN ACCOUNTING POLICY

During the year, the Cree Nation adopted the following new accounting standards and/or amendments:

- Section PS 1000, Financial Statement Concepts, to allow for recognition of purchased intangibles in financial statements.
- PS 3160, Public Private Partnerships, which establishes standards on how to account for public private partnership agreements.
- 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. The adoption of PS 3400 did not have a significant impact on the financial statements.
- Guideline PSG-8, Purchased Intangibles, which explains the scope of the intangibles allowed to be recognized in financial statements given the removal of the recognition prohibition relating to purchased intangibles in Section PS 1000. Earlier application is permitted.

The adoption of these standards/amendments had no significant impact on the First Nation's consolidated financial statements.

### 3. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS:

#### Pronouncement effective for fiscal years beginning on or after April 1, 2026

In December 2022, the PSAB's Conceptual Framework for Financial Reporting in the Public Sector (Conceptual Framework) replaced the conceptual aspects of PS 1000, Financial Statement Concepts, and PS 1100, Financial Statement Objectives. This Conceptual Framework is to be applied prospectively. Consequential amendments arising from the Conceptual Framework have been made to several other Public Sector Standards. Most of the consequential amendments are editorial in nature. However, there are a few consequential amendments where new requirements are introduced. New requirements are accompanied by a new transitional paragraph in the respective affected Section. Earlier adoption is permitted.

In October 2023, the PSAB issued new Section PS 1202, Financial Statement Presentation, which introduces a new reporting model and replaces Section PS 1201, Financial Statement Presentation. Under the new reporting model, the financial statements include a statement of financial position, statement of net financial assets or net financial liabilities, statement of operations, statement of changes in net assets or net liabilities, statement of cash flows, and accompanying notes and schedules. Consequential amendments arising from the new Section have been made to many other Public Sector Standards. Although many of the consequential amendments are editorial in nature, most will change practice in relation to the presentation of financial statements. In addition, some consequential amendments introduce new requirements. Consequential amendments are accompanied by new transitional paragraphs in the affected Sections and Guidelines. Earlier adoption is permitted.

The Cree Nation is assessing these new requirements and their impact.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024****4. CASH**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Cree Nation must set aside funds for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the replacement and subsidy fund. Cash (bank indebtedness) is comprised of the following:

	<b>2 0 2 4</b>	<b>2 0 2 3</b>
Externally Restricted		
Housing replacement reserve	\$ 275,573	\$ 275,753
Unrestricted		
Operating	18,858,319	14,763,492
Housing	228,743	966,977
Health operating and capital project	<u>3,387,206</u>	<u>3,704,587</u>
	<u><u>\$ 22,749,841</u></u>	<u><u>\$ 19,710,809</u></u>

**5. SHORT TERM INVESTMENTS**

	<b>2 0 2 4</b>	<b>2 0 2 3</b>
BMO Short Term Investment	\$	\$ 5,095,762
BMO Short Term Investment - Misipawistik Cree Nation Health	<u>1,016,866</u>	-
	<u><u>\$ 1,016,866</u></u>	<u><u>\$ 5,095,762</u></u>

**6. TRUST FUNDS HELD BY FEDERAL GOVERNMENT**

	Opening Balance	Additions	Withdrawals	<b>2 0 2 4</b>	2 0 2 3
Revenue	\$ 660	\$	\$( 606)	\$ 54	\$ 660
Capital	<u>3,186</u>	-	-	<u>3,186</u>	<u>3,186</u>
	<u><u>\$ 3,846</u></u>	<u><u>\$ -</u></u>	<u><u>\$( 606)</u></u>	<u><u>\$ 3,240</u></u>	<u><u>\$ 3,846</u></u>

Trust fund accounts 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.

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2024**

## 7. ACCOUNTS RECEIVABLE

	2 0 2 4	2 0 2 3
Indigenous Services Canada	\$ 334,962	\$ 143,998
Canada Mortgage and Housing Corporation	55,342	54,810
Capital project legal trust account		13,407
Grand Rapids First Nation Development Corporation	1,204,143	1,261,070
10040628 Manitoba Ltd.	388,983	422,845
Rent	5,772,528	5,068,553
Tobacco Tax	51,429	68,799
Payroll advances	65,212	64,883
Other	<u>1,272,245</u>	<u>1,669,320</u>
	9,144,844	8,767,685
Allowance for doubtful accounts	( 4,965,443)	( 4,673,944)
	<u>\$ 4,179,401</u>	<u>\$ 4,093,741</u>

## 8. LONG TERM INVESTMENTS

The following table presents condensed financial information for the Cree Nation's long term investments.

	Retail Sales and Services	Entertainment Services	Portfolio Investments	2 0 2 4	2 0 2 3
Cash	\$ 150,169	\$ 5,509	\$ 155,678	\$ 659,519	
Accounts Receivable	289,165	27,778	42,298	359,241	414,951
Inventory	470,716	14,963		485,679	438,626
Capital Assets	2,855,159	574,837		3,429,996	3,365,590
Other Assets	19,332	231,363	4,102,717	4,353,412	4,375,435
<b>TOTAL ASSETS</b>	<b>\$ 3,634,372</b>	<b>\$ 999,110</b>	<b>\$ 4,150,524</b>	<b>\$ 8,784,006</b>	<b>\$ 9,254,121</b>
Bank indebtedness	\$ 62,473	\$	\$	\$ 62,473	\$
Accounts Payable	945,853	371,472	6,597	1,323,922	1,342,379
Long Term Debt		246,681		246,681	268,393
Other Liabilities	2,070,254	671,665	-	2,741,919	2,572,051
<b>TOTAL LIABILITIES</b>	<b>3,078,580</b>	<b>1,289,818</b>	<b>6,597</b>	<b>4,374,995</b>	<b>4,182,823</b>
<b>EQUITY</b>	<b>555,792</b>	<b>( 290,708)</b>	<b>4,143,927</b>	<b>4,409,011</b>	<b>5,071,298</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,634,372</b>	<b>\$ 999,110</b>	<b>\$ 4,150,524</b>	<b>\$ 8,784,006</b>	<b>\$ 9,254,121</b>
REVENUE	\$ 2,876,349	\$ 2,551,076	\$ 110,687	\$ 5,538,112	\$ 19,028,429
EXPENDITURES	( 3,326,983)	( 1,422,609)	( 26,309)	(4,775,901)	(17,840,952)
OTHER ITEMS	87,144	( 1,404,412)	( 112,236)	( 1,429,504)	( 1,004,654)
<b>NET INCOME (LOSS)</b>	<b>\$ ( 363,490)</b>	<b>\$ ( 275,945)</b>	<b>\$ ( 27,858)</b>	<b>\$ ( 667,293)</b>	<b>\$ 182,823</b>

The scheduled principal amounts payable within the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2024 \$ 246,681

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024****8. LONG TERM INVESTMENTS *(continued)*****Retail Sales and Services**

Retail Sales and Services is comprised of the operations of Grand Rapids First Nation Development Corporation which operates a grocery store (MCN Foods), gas bar, confectionery and restaurant, the community's 1/2 interest in Pinesiw Energy Limited Partnership and Misipawistik Telecommunications Co-operative (high speed Internet), and 10040628 Manitoba Ltd. which operates a restaurant in the community.

**Entertainment Services**

Entertainment Services are comprised of Chus-Chug-U Gaming Trust which is a VLT lounge located in the Cree Nation and the community's 1/7 interest in Aseneskak Casino Limited Partnership, Mahihkan Bus Lines limited Partnership 1/6 Interest, a transport service.

As of the report date of these Consolidated financial statements. The audited financial statements of Mahihkan Bus Lines Limited partnership were unavailable for use.

**Portfolio Investments**

Portfolio Investments are comprised of Grand Rapids First Nation Development Trust which was settled upon the receipt of certain monies from Manitoba Hydro. Access to the assets of Grand Rapids First Nation Development Trust is restricted to certain permitted uses as described in the terms of the trust indenture. The fair value of the Grand Rapids First Nation Development Trust's assets at March 31, 2024 is \$3,772,919 (2023 - \$3,847,271).

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2 0 2 4</b>	<b>2 0 2 3</b>
Indigenous Services Canada - Medical Transportation	\$ 334,962	\$ 143,998
Capital project	679,990	2,163,034
Correctional Service Canada	334,978	115,112
E.T. development	181,648	316,000
Mortgage advances - Phase 15	346,581	
Trade payables, accruals and other	<u>1,383,070</u>	<u>1,231,511</u>
	<u>\$ 3,261,229</u>	<u>\$ 3,969,655</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

### 10. DEFERRED REVENUE

	Balance March 31, 2023	Funding Received 2024	Revenue Recognized 2024	Balance March 31, 2024
Indigenous Services Canada				
Band - Commercial Development	\$ 5,471	\$	\$ ( 5,471)	\$
Band - Comprehensive				
Community Planning	60,000	75,000	( 64,765)	70,235
Band - Connectivity		168,400		168,400
Band - Cultural Spaces	7,551,104		( 511,625)	7,039,479
Band - Election Code	17,564		( 17,564)	
Band - Emergency Management	96,045	50,000	( 101,659)	44,386
Band - Financial Management	60,173		( 60,173)	
Band - Governance Capacity	16,262		( 16,262)	
Band - Water Treatment Plant				
Upgrades	4,783,055	7,080,643	( 6,248,782)	5,614,916
CFS - Capacity Building	600,278		( 303,994)	296,284
CFS - CHRT-41 Capital		289,000		289,000
CFS - First Nation Representative Services				
CFS - Operations	324,008	493,560	( 184,696)	632,872
CFS - Prevention		156,405	( 55,449)	100,956
Education - Post Secondary	1,285,809	3,262,043	( 2,889,005)	1,658,847
Student Support	298,301	756,916	( 948,884)	106,333
Education - Private and Provincial Service Mapping				
Education - Provincial and Private School Student Support	707,259	350,010	( 449,136)	608,133
Health - Aboriginal Head Start Program				
Health - Brighter Futures Initiative	167,896	268,089	( 435,985)	
Health - Building Healthy Communities				
Health - Community Health Nurse	54,805	110,605	( 160,459)	4,951
Health - Community Health Representative				
Health - Diabetes Program	84,047	110,644	( 144,864)	49,827
Health - Home Care Program	95,918	74,144	( 69,239)	100,823
Health - Jordan's Principle				
Health - Maternal Child Health	522,779	3,433,142	( 2,858,045)	1,097,876
Health - Native Alcohol and Drug Abuse				
Health - Prenatal Program	375,100	150,000	( 397,839)	127,261
Health - Renovations				
Social Services - Basic Needs	61,985	132,409	( 97,792)	96,602
Social Services - Service Delivery				
Band - Funds	4,008	47,933	( 51,941)	
Band - Cultural Spaces		20,000	( 3,633)	16,367
Band - Recreation		330,000		330,000
Health - Daycare Program	100,000			100,000
96,045	254,459	( 263,868)		86,636

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**MARCH 31, 2024**
**10. DEFERRED REVENUE *(continued)***

	Balance March 31, 2023	Funding Received 2024	Revenue Recognized 2024	Balance March 31, 2024
Health - Supporting the Trajectories of Our Spirit	46,064		( 46,064)	
Lands - Environmental Monitoring	48,041	135,550	( 163,966)	19,625
Lands - First Nation Land Management	199,081	373,879	( 572,960)	
Lands - Planning and Operations	<u>553,288</u>	<u>906,912</u>	<u>( 386,998)</u>	<u>1,073,202</u>
	<u><b>\$ 19,923,762</b></u>	<u><b>\$ 21,504,430</b></u>	<u><b>\$ ( 19,196,128)</b></u>	<u><b>\$ 22,232,064</b></u>

**11. LONG TERM DEBT**
**2 0 2 4**
**2 0 2 3**

Bank of Montreal, interest at 5.19% payable in monthly blended principal and interest payments, due on demand.	<b>\$ 18,205,298</b>	\$ 18,477,623
Bank of Montreal, interest at 5.19% payable in annual blended principal and interest payments, due on demand.	<b>14,432,930</b>	14,727,841
Opaskwayak Cree Nation, interest at 2% payable in monthly installments of \$16,369 (P&I) due September 1, 2026.	<b>463,047</b>	648,207
Mortgage Payable, C.M.H.C., interest at 3.84%, repayable in monthly installments of \$3,434 (P & I), matures April 1, 2029.	<b>190,334</b>	225,702
Mortgage Payable, C.M.H.C., interest at 1.13%, repayable in monthly installments of \$493 (P & I), renews June 1, 2026, matures May 1, 2031.	<b>40,729</b>	46,154
Mortgage Payable, C.M.H.C., interest at 1.88%, repayable in monthly installments of \$4,718 (P & I), renews February 1, 2027, matures January 1, 2032.	<b>412,167</b>	460,553
Mortgage Payable, C.M.H.C., interest at 4.07%, repayable in monthly installments of \$3,625 (P & I), renews August 1, 2028, matures March 1, 2033.	<b>327,785</b>	358,423
Mortgage Payable, C.M.H.C., interest at 3.74%, repayable in monthly installments of \$5,001 (P & I), renews June 1, 2028, matures May 1, 2033.	<b>465,745</b>	508,294
Mortgage Payable, C.M.H.C., interest at 1.73%, repayable in monthly installments of \$5,460 (P & I), renews August 1, 2024, matures June 1, 2034.	<b>615,248</b>	669,631
Mortgage Payable, C.M.H.C., interest at 1.57%, repayable in monthly installments of \$2,864 (P & I), renews December 1, 2026, matures December 1, 2036.	<b>396,969</b>	424,869

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**MARCH 31, 2024**
**11. LONG TERM DEBT *(continued)***

	<b>2 0 2 4</b>	<b>2 0 2 3</b>
Mortgage Payable, C.M.H.C., interest at 3.06% repayable in monthly installments of \$5,622 (P & I), renews May 1, 2027, matures May 1, 2037.	731,233	775,665
Mortgage Payable, C.M.H.C., interest at 0.96%, repayable in monthly installments of \$4,596 (P & I), renews March 1, 2026, matures February 1, 2040.	813,901	860,991
Mortgage Payable, C.M.H.C., interest at 1.30%, repayable in monthly installments of \$7,322 (P & I), renews April 1, 2026, matures April 1, 2041.	1,345,763	1,415,643
Mortgage Payable, C.M.H.C., interest at 1.91%, repayable in monthly installments of \$5,669 (P & I), renews June 1, 2024, matures June 1, 2039.	899,894	950,240
Mortgage Payable, C.M.H.C., interest at 0.80%, repayable in monthly installments of \$2,162 (P & I), renews May 1, 2025, matures May 1, 2045.	505,024	526,827
Mortgage Payable, C.M.H.C., interest at 3.09%, repayable in monthly installments of \$3,863 (P & I), renews February 1, 2028, matures February 1, 2048.	784,444	803,140
Mortgage Payable, C.M.H.C., interest at 3.24%, repayable in monthly installments of \$1,934 (P & I), renews January 1, 2028, matures January 1, 2048.	385,782	396,835
	<b><u>\$ 41,016,293</u></b>	<b><u>\$ 42,276,638</u></b>

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

The loans payable to Bank of Montreal are secured by a general security agreement, an unlimited guarantee from Chus-Chug-U Gaming Trust and Grand Rapids First Nation Development Trust, a general security agreement from each guarantor, clearing and blocked account agreements, irrevocable direction to transfer VLT distributions to the blocked account, irrevocable direction to Manitoba Hydro that the Bank of Montreal has a security interest in distributions, commitment to distribute an amount of not less than \$10,000,000 from a possible future land claim agreement to the Bank of Montreal, band council resolutions, assignment of property and perils insurance and such other documents as requested by the Bank of Montreal from time to time.

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

March 31, 2025	\$ 33,344,752
2026	722,046
2027	622,826
2028	553,747
2029	566,465
Thereafter	5,206,457

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

### 12. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2024	Total 2023
Automotive	\$ 1,970,613	\$ 50,532	\$ 2,021,145	\$ 1,218,897	\$ 140,853	\$ 1,359,750	\$ 661,395	\$ 751,716
Buildings	8,635,170	7,325	8,642,495	2,954,212	314,122	3,268,334	5,374,161	5,680,958
Construction in progress	7,001,314	5,791,412	12,792,726				12,792,726	7,001,314
Land improvements	1,803,134		1,803,134	314,399	57,494	371,893	1,431,241	1,488,735
Housing	61,096,834	5,735,779	66,832,613	17,775,946	1,661,469	19,437,415	47,395,198	43,320,888
Office equipment	842,417	16,441	858,858	591,830	78,461	670,291	188,568	250,587
Roads	1,950,002	1,369,500	3,319,502	1,878,185	30,731	1,908,916	1,410,586	71,817
Water and sewer	<u>10,981,646</u>	<u>-</u>	<u>10,981,646</u>	<u>8,017,078</u>	<u>202,832</u>	<u>8,219,910</u>	<u>2,761,736</u>	<u>2,964,568</u>
	<u>\$ 94,281,130</u>	<u>\$ 12,970,989</u>	<u>\$107,252,119</u>	<u>\$ 32,750,547</u>	<u>\$ 2,485,962</u>	<u>\$ 35,236,509</u>	<u>\$ 72,015,611</u>	<u>\$ 61,530,583</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

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### 13. CONTINGENCIES

#### Government Funding

The Cree Nation 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.

#### Hydro Claim

The Cree Nation previously filed a claim against Canada for damages related to development on its traditional territory. The claim is currently in arbitration and the Cree Nation is anticipating that it will ultimately receive a financial and land settlement.

### 14. BUDGET FIGURES

The Cree Nation has not completed a budget for the March 31, 2024 fiscal year. Accordingly budget figures are not presented in the financial statements.

### 15. COMMITMENTS

#### Canada Mortgage and Housing Corporation

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Cree Nation must set aside funds for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the replacement and subsidy fund.

As of March 31, 2024, the replacement reserve fund is overfunded by \$260,982. (2023 - overfunded by \$275,753)

### 16. ECONOMIC DEPENDENCE

The Cree Nation receives a majority of its revenue from and consequently is economically dependant on the Government of Canada.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2024**

### 17. GOVERNMENT TRANSFERS

	Operating	Capital	2 0 2 4	Operating	Capital	2 0 2 3
Indigenous Services Canada	19,482,167	7,435,143	<b>26,917,310</b>	15,715,409	\$ 8,723,583	34,438,992
Canada Mortgage and Housing Corporation	<u>807,201</u>	-	<u>807,201</u>	<u>655,026</u>	-	<u>655,026</u>
Sub-total	<u>20,289,368</u>	<u>7,435,143</u>	<u>27,724,511</u>	<u>16,370,435</u>	<u>8,723,583</u>	<u>35,094,018</u>
Provincial	<u>256,559</u>	-	<u>256,559</u>	<u>288,568</u>	-	<u>288,568</u>
	<u><u>20,545,927</u></u>	<u><u>7,435,143</u></u>	<u><u>27,981,070</u></u>	<u><u>16,659,003</u></u>	<u>\$ 8,723,583</u>	<u>35,382,586</u>

### 18. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 4	2 0 2 3
Administration fees	\$ 1,125,983	\$ 965,971
Amortization	2,624,415	2,494,343
Bad debts	291,499	560,095
Capital planning	364,420	17,180
Committee honoraria	200,264	178,309
Community events, assistance and programming	3,818,857	2,017,676
Donations	43,289	57,239
Economic assistance	2,332,784	2,389,594
Family support	413,276	838,547
Insurance	657,835	628,440
Interest and bank charges	12,273	41,138
Interest on long-term debt	1,818,391	1,848,262
Meetings and workshops	363,768	284,712
Office construction	130,000	
Other	318,622	477,483
Pandemic	76,869	377,368
Professional fees	615,546	710,946
Repairs and maintenance	2,847,899	1,417,467
Salaries and benefits	4,798,199	4,274,801
Student support	1,031,404	820,780
Supplies	456,450	424,633
Travel	821,703	674,997
Utilities	646,701	589,058
Eliminations	( 2,380,134)	( 1,839,873)
	<u>\$ 23,430,313</u>	<u>\$ 20,249,166</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024****19. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE**

	<b>2 0 2 4</b>	<b>2 0 2 3</b>
Arrangement: #1516-MB-000115	\$ 26,938,287	\$ 34,488,397
Less: Medical Transportation recovery	( 20,977)	( 49,405)
Total I.S.C. Revenue per Financial Statements	<u>\$ 26,917,310</u>	<u>34,438,992</u>
Revenue per Statement of Operations ( <i>Statement 2</i> ) Indigenous Services Canada	<u>\$ 26,917,310</u>	<u>\$ 34,438,992</u>

**20. RELATED PARTY TRANSACTIONS**

The following are the significant transactions with related parties during the year:

	<b>2 0 2 4</b>	<b>2 0 2 3</b>
Revenue		
Contribution from Chus-Chug-U Gaming Trust	\$ 1,344,000	\$ 1,257,000
Contribution from Grand Rapids First Nation Development Trust	112,236	72,932
Expenditures		
Grand Rapids First Nation Development Corp.		
Community events and assistance	\$ 1,150,037	\$ 582,492
Economic development	584,532	889,259
Donations	461	
Family Support	32,699	44,120
Meetings, training, and workshops	15,460	6,412
Pandemic	8,527	18,544
Other	46,275	147,687
Repairs and maintenance		167
Salaries, wages, and benefits	2,224	50,432
Program supplies	53,912	38,764
Travel	106,441	109,016

In the normal course of business the Cree Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**21. GOING CONCERN**

These financial statements have been prepared on the basis of a going concern which assumes that the Cree Nation will be able to realize its assets and settle its obligations in the normal course of operations. However conditions exist which may cast doubt on this assumption.

The Cree Nation has a high debt load which is substantially financed by demand loans totaling \$32,638,228 bearing interest at 5.19% at March 31, 2024. The interest cost of this debt will be impacted by future prime interest rate levels and the timeframe for interest rate environment changes to occur are not known with certainty.

The Cree Nation's ability to continue as a going concern is dependant upon its ability to maintain ongoing support from its creditors and generate sufficient positive cash flows from own source revenue to service its debt. If the Cree Nation is not successful in its efforts to do so the going concern assumption may no longer be appropriate. In this case adjustments to the carry values of reported assets, net debt, and accumulated surplus would be required and these amounts could be material. This occurrence could also negatively impact the Cree Nation's operations and service delivery.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2024**

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### 22. FINANCIAL INSTRUMENTS

#### Management of risks arising from financial instruments

The Cree Nation's activities expose it to risks related to its financial instruments. Management, under the oversight of Chief and Council, is primarily responsible for identifying, evaluating and mitigating financial risks.

The risks associated with the Cree Nation's financial instruments are as follows:

#### Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The Cree Nation is exposed to liquidity risk with respect to the financial liabilities recognized in the statement of financial position.

There is material liquidity risk associated with the Cree Nation's demand loans which total \$32,638,228.

The Cree Nation manages liquidity risk by maintaining on-going support from the lender through communication and by ensuring timely and regular provision of principal and interest payments.

The Cree Nation does not have sufficient liquid assets to repay the lender in full if a demand for repayment were made.

#### Credit risk

Credit risk is the risk that a loss may occur from the failure of another party to perform according to the terms of a contract. The ability of such counterparties to meet contractual obligations is subject to changing economic, political, and other conditions.

The Cree Nation's cash balances and funds held in trust are maintained with reputable financial institutions for which the Cree Nation believes the risk of loss is remote. There are material concentrations of credit risk with membership, funders and others within the Cree Nation's accounts receivable balance and an allowance for doubtful accounts has been recorded to reflect amounts for which the Cree Nation believes that collection is doubtful.

The maximum exposure to credit risk is represented by the carrying value of financial assets in the balance sheet.

#### MARKET RISK

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 because of fluctuations in the value of various foreign currencies. The Cree Nation operates domestically and does not engage in significant transactions denominated in foreign currencies or hold foreign investments and as a result foreign currency risk is not significant.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024****22. FINANCIAL INSTRUMENTS *(continued)*****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.

The Cree Nation's primary exposure to cash flow related interest rate risk exists on its variable rate demand loans which as of March 31, 2024 totalled \$32,638,228. If this principal balance held constant, a 1% increase in interest rate would result in a \$326,382 increase to interest expense for the year.

The Cree Nation is also exposed to fair value related interest rate risk on the fixed income investments within Grand Rapids First Nation Development Trust. As of March 31, 2024, based on the weighted average duration of these investments, a 1% increase in interest rate would result in approximately a \$401,120 decline in the fair value of the investments.

**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. The Cree Nation's investments are held in various private enterprises which are not publicly traded.

**23. COMPARATIVE FIGURES FOR THE PRIOR YEAR**

To conform with the financial statement presentation adopted for the current year, certain comparative figures have been reclassified.

**24. SUBSEQUENT EVENTS**

On April 1, 2024, the organization received a loan disbursement from Canada Mortgage and Housing Corporation for a Post-1996 housing project (CMHC Account # 26-804-666). The total loan amount approved for this phase is \$1,267,089, of which the second and final advance of \$920,508 was disbursed on this date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

### 25. SEGMENT DISCLOSURE

Misipawistik Cree Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

	Administration		Community Development		Community Services		Community Learning	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>REVENUE</b>								
ISC	\$ 697,794	\$ 548,243	\$ 6,038,736	\$ 14,480,173	\$ 8,820,950	\$ 9,637,733	\$ 1,813,654	\$ 1,934,722
CMHC		18,587	807,200	636,440				
ESDC	697,794	566,830	6,845,936	15,116,613	8,820,950	9,637,733	321,216	362,716
Other	614,532	543,181	4,805,198	(2,263,728)	(587,371)	(4,857,905)	430,047	(582,477)
	1,312,326	1,110,011	11,651,134	12,852,885	8,233,579	4,779,828	2,564,917	1,714,961
<b>EXPENDITURES</b>								
Amortization			1,893,088	2,081,914	317,524	47,480		
Debt servicing	915	8,722	1,824,743	1,869,871	219	191		
Other	568,245	666,924	5,649,772	5,175,719	1,027,128	1,376,307	2,011,172	1,344,042
Salaries and benefits	326,409	350,302	719,577	543,162	668,043	672,732	544,248	390,136
	895,569	1,025,948	10,087,180	9,670,666	2,012,914	2,096,710	2,555,420	1,734,178
<b>SURPLUS (DEFICIT)</b>	<b>\$ 416,757</b>	<b>\$ 84,063</b>	<b>\$ 1,563,954</b>	<b>\$ 3,182,219</b>	<b>\$ 6,220,665</b>	<b>\$ 2,683,118</b>	<b>\$ 9,497</b>	<b>\$(19,217)</b>

	Social Services		Health		Eliminations		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>REVENUE</b>								
ISC	\$ 3,453,725	\$ 3,013,542	\$ 6,092,451	\$ 4,824,579	\$	\$	\$ 26,917,310	\$ 34,438,992
CMHC							807,200	655,027
ESDC	3,453,725	3,013,542	6,092,451	4,824,579	-	-	321,217	362,716
							28,045,727	35,456,735
Other	81,783	(526,527)	983,912	684,562	(2,380,134)	(1,839,873)	3,947,967	(8,842,767)
	3,535,508	2,487,015	7,076,363	5,509,141	(2,380,134)	(1,839,873)	31,993,694	26,613,968
<b>EXPENDITURES</b>								
Amortization			413,802	364,949			2,624,415	2,494,343
Debt servicing	4,137	8,769					1,830,015	1,887,553
Other	3,032,652	2,184,271	4,208,795	2,671,576	(2,380,134)	(1,839,873)	14,117,631	11,578,966
Salaries and benefits	275,509	239,051	2,324,469	2,092,921	-	-	4,858,256	4,288,304
	3,312,298	2,432,091	6,947,066	5,129,446	(2,380,134)	(1,839,873)	23,430,313	20,249,166
<b>SURPLUS (DEFICIT)</b>	<b>\$ 223,210</b>	<b>\$ 54,924</b>	<b>\$ 129,297</b>	<b>\$ 379,695</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,563,381</b>	<b>\$ 6,364,802</b>