

**SAPOTAWEYAK CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

SAPOTAWEYAK CREE NATION
MANAGEMENT'S REPORT
FOR THE YEAR ENDED MARCH 31, 2023

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Sapotaweyak Cree Nation are the responsibility of management and have been approved by the 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 Canadian Institute of 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.

The 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.

The 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, Heartland Chartered Professional Accountants LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Sapotaweyak Cree Nation and meet when required.

On behalf of Sapotaweyak Cree Nation:

Chief Nelson Genaille

Councillor Mary Lou Leask

Councillor Myrtle Bilow

Councillor Surinder Dhillon

Councillor Reynold Cook

Councillor Fred Stevens

August 1, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Sapotaweyak Cree Nation:

Opinion

We have audited the consolidated financial statements of Sapotaweyak Cree Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sapotaweyak Cree Nation as at March 31, 2023 and the results of its consolidated operations 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 the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the 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.

Independent Auditor's Report (*continued*)

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 the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Heartland

Winnipeg, Manitoba
August 1, 2023

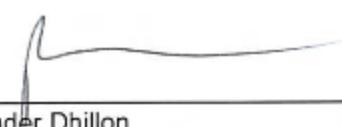
CHARTERED PROFESSIONAL ACCOUNTANTS

SAPOTAWEYAK CREE NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 5,585,046	7,089,948
Restricted cash (Note 2)	373,676	433,914
Accounts receivable (Note 3)	1,247,307	721,889
Inventory for resale	124,814	122,100
Trust funds held by the federal government (Note 4)	917	902
Investment in government business partnerships (Note 5)	118,307	76,883
	<u>7,450,067</u>	<u>8,445,636</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	550,147	177,021
Unexpended funding (Note 9)	5,816,014	5,017,179
Long-term debt (Note 10)	<u>10,936,799</u>	<u>11,619,256</u>
	<u>17,302,960</u>	<u>16,813,456</u>
NET DEBT	\$ 9,852,893	8,367,820
NON-FINANCIAL ASSETS		
Construction in progress	\$ 1,314,886	7,112,995
Tangible Capital Assets (Note 6)	<u>46,721,432</u>	<u>41,973,492</u>
	<u>48,036,318</u>	<u>49,086,487</u>
ACCUMULATED SURPLUS	\$ 38,183,425	40,718,667

APPROVED ON BEHALF OF THE FIRST NATION:


 Chief Nelson Genaille


 Councillor Surinder Dhillon


 Councillor Mary Lou Leask


 Councillor Reynold Cook


 Councillor Myrtle Bilow


 Councillor Fred Stevens

SAPOTAWEYAK CREE NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
REVENUES		
ISC	\$ 19,111,877	17,425,636
Health Canada	4,346,314	4,373,484
Federal Government - MKO	595,426	601,503
Province of Manitoba	1,177,636	889,397
CMHC	558,178	380,949
Rental income	262,001	251,200
Other revenue	23,986,301	15,270,188
Loss from investment in government business partnerships	(108,576)	(267,433)
Net transfer from (to) unexpended funding	<u>(798,836)</u>	<u>3,761,199</u>
	<u>49,130,321</u>	<u>42,686,123</u>
EXPENSES		
Band government	2,981,811	2,052,000
Community development	6,107,266	10,126,861
Economic development	839,289	59,324
Education	11,141,552	8,936,558
Social services	4,110,434	3,748,556
Health	5,878,295	5,245,659
Amortization	4,375,211	3,983,590
Other	<u>16,231,705</u>	<u>5,830,410</u>
	<u>51,665,563</u>	<u>39,982,958</u>
ANNUAL (DEFICIT) SURPLUS	(2,535,242)	2,703,165
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	<u>40,718,667</u>	<u>38,015,502</u>
ACCUMULATED SURPLUS AT END OF YEAR	\$ 38,183,425	<u>40,718,667</u>

SAPOTAWEYAK CREE NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
ANNUAL (DEFICIT) SURPLUS	\$ (2,535,242)	2,703,165
Acquisition of tangible capital assets	(2,330,712)	(6,193,979)
Amortization of tangible capital assets	4,375,211	3,983,590
Change in construction in progress	<u>(994,330)</u>	<u>(4,584,304)</u>
CHANGE IN NET DEBT	(1,485,073)	(4,091,528)
NET DEBT AT BEGINNING OF YEAR	<u>(8,367,820)</u>	<u>(4,276,292)</u>
NET DEBT AT END OF YEAR	\$ (9,852,893)	<u>(8,367,820)</u>

SAPOTAWEYAK CREE NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
OPERATING TRANSACTIONS		
Annual surplus	\$ (2,535,242)	2,703,165
Items not affecting cash:		
Amortization	4,375,211	3,983,590
Loss from investment in government business partnerships	108,576	267,433
	<u>1,948,545</u>	<u>6,954,188</u>
Change in non-cash charges to operations		
Accounts receivable	(525,418)	507,967
Inventory for resale	(2,714)	(17,314)
Trust funds held by the federal government (Note 4)	(15)	(23)
Accounts payable and accrued liabilities	373,126	(208,961)
Unexpended funding	798,835	(3,761,199)
	<u>2,592,359</u>	<u>3,474,658</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(2,330,712)	(6,193,979)
Purchase of assets under construction	(994,330)	(4,584,304)
	<u>(3,325,042)</u>	<u>(10,778,283)</u>
FINANCING TRANSACTIONS		
Debt issuance	-	4,311,633
Repayment of long-term debt	(682,457)	(1,032,154)
Cash provided by (applied to) financing transactions	<u>(682,457)</u>	<u>3,279,479</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(1,565,140)	(4,024,146)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,523,862	11,548,008
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 5,958,722	7,523,862
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 5,585,046	7,089,948
Restricted cash	373,676	433,914
	<u>\$ 5,958,722</u>	<u>7,523,862</u>

SAPOTAWEYAK CREE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) 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 of the Chartered Professional Accountants of Canada.

b) Reporting entity

The Sapotaweyak Cree Nation reporting entity includes the Sapotaweyak Cree Nation government and all related entities that are controlled by the First Nation.

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

- Sapotaweyak Cree Nation
- Sapotaweyak Health Authority
- Sapotaweyak Education Authority
- Sapotaweyak Aboriginal Skills and Employment Training (ASETS) Program
- Club SAPP
- The Loonie Bin Gaming Lounge
- Sapotaweyak CMHC Housing Authority
- Sapotaweyak Internet Services
- Sapotaweyak Social Services
- Petro Gas Bar

Investments in government business partnerships are accounted for using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity's accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation'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:

- Asesneskak Casino Limited Partnership
- Bus lines & Mahikan GP Inc.

c) 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.

SAPOTAWEYAK CREE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) 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.

e) Portfolio investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

f) Tangible capital assets

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

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods or 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.

Amortization is provided for on a straight-line basis, over the estimated useful lives as follows:

Appliances	4 years
Commercial buildings	20 years
Computer equipment	3 years
Furniture and fixtures	5 years
Heavy equipment	5 years
Other equipment	4 years
Residential buildings	25 years
Roads	40 years
Underground networks	40 years
Vehicles	3 years

SAPOTAWEYAK CREE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

h) Provision for site rehabilitation

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. A liability is recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used and is equal to a proportion of the estimated total expenditure required for closure and post-closure care. The estimated total expenditure represents the sum of discounted cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition cause by past operations, and which do not contribute to future revenue generation, are expensed in the current year.

No liability has been recorded as of March 31, 2023 as funding from government agencies will offset any costs associated with the closure of landfill sites.

i) Employee future benefits

The First Nation's employee future benefit programs consist of defined contribution pension plans. The First Nation's contributions to the defined contribution plans are expensed as incurred.

j) Measurement uncertainty

In preparing the consolidated financial statements for Sapotaweyak Cree Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include the allowance for doubtful accounts and the estimated life of tangible capital assets. Actual results could differ from these estimates.

SAPOTAWEYAK CREE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

2) CASH AND CASH EQUIVALENTS

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Sapotaweyak Cree Nation must set aside funds annually 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 fund 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 Reserve Fund. Cash and cash equivalents is comprised of the following:

	2023	2022
Externally restricted		
CMHC - Replacement Reserve	\$ 373,676	433,914
Internally restricted		
Unexpended funding	5,816,014	5,017,179
Unrestricted	<u>(230,968)</u>	<u>2,072,769</u>
Total cash and cash equivalents	\$ 5,958,722	7,523,862

3) ACCOUNTS RECEIVABLE

	2023	2022
Trade receivables	\$ 490,682	199,061
Due from members		
Economic Development - start-up loans	109,893	73,768
Cash advance loans	135,249	125,626
Due from government and other government organizations		
Federal government		
Canada Mortgage and Housing Corporation	272,389	75,922
ISC	125,720	122,669
Health Canada	-	8,414
Service Canada (MKO)	199,463	-
Provincial government	<u>155,851</u>	<u>304,773</u>
	<u>1,489,247</u>	<u>910,233</u>
Less: Allowance for doubtful accounts	241,940	188,344
Total Accounts Receivable	\$ 1,247,307	721,889

SAPOTAWEYAK CREE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

4) TRUST FUNDS HELD BY THE FEDERAL GOVERNMENT

	<u>March 31, 2022</u>	<u>Additions 2023</u>	<u>Withdrawals 2023</u>	<u>March 31, 2023</u>
Revenue	\$ 902	15	-	917
Capital	-	-	-	-
	<u>\$ 902</u>	<u>15</u>	<u>-</u>	<u>917</u>

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

5) INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIPS

	<u>2023</u>	<u>2022</u>
Investment - Aseneskak Company Inc., at cost	\$ 117	117
Investment - Mahihkan Bus Lines GP Inc., at cost	10	10
Investment - Asenesak Casino Limited Partnership	385,000	385,000
Cummulative share of earnings	1,561,134	1,510,010
Cummulative dividends paid	<u>(1,399,672)</u>	<u>(1,399,672)</u>
	<u>546,462</u>	<u>495,338</u>
Investment - Mahihkan Bus Lines LP	10	10
Cummulative share of losses	<u>(428,292)</u>	<u>(418,592)</u>
	<u>(428,282)</u>	<u>(418,582)</u>
Total Investments in government business partnerships	<u>\$ 118,307</u>	<u>76,883</u>

6) TANGIBLE CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>
Buildings - CMHC	\$ 7,462,735	3,717,417	7,462,735
Buildings - band housing	23,480,279	19,232,858	21,477,621
Buildings - commercial	56,689,578	23,446,861	52,681,577
Equipment	5,241,886	4,573,874	5,420,974
Infrastructure	6,645,400	4,747,785	6,645,400
Roads	7,406,222	5,432,869	7,406,222
Vehicles	2,105,696	1,158,700	2,927,483
	<u>\$ 109,031,796</u>	<u>62,310,364</u>	<u>104,022,012</u>
Net book value	<u>\$ 46,721,432</u>		<u>\$ 41,973,492</u>

SAPOTAWEYAK CREE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

7) TEMPORARY BORROWINGS

The First Nation has lines of credit available to address operating requirements and to bridge capital expenditures. Interest on these borrowings range from the bank's prime lending rate plus 1.5%. All loans are unsecured, due on demand and are in the form of bankers' acceptance notes and bank overdrafts. As at March 31, 2023, the amount drawn on the operating line of credit (General) is \$Nil (2022 - \$Nil), the amount drawn on the demand loan (Capital) is \$Nil (2022 - \$Nil) and the amount drawn on the demand loan (Social) is \$Nil (2022 - \$Nil).

8) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade payables and accrued liabilities	\$ 536,390	147,844
Payroll liabilities	7,420	24,516
Accrued interest	6,337	4,661
	<u>\$ 550,147</u>	<u>177,021</u>

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

9) UNEXPENDED FUNDING

	Balance March 31, 2022	Funding Received 2023	Revenue Recognized 2023	Balance March 31, 2023
Federal Government - ISC				
New Water Treatment Plant	\$ 167,105	20,000	(31,470)	155,635
Economic Development	22,372	-	(22,372)	-
Ec Dev: Addition to Reserve	-	30,000	-	30,000
Fire Damage Repairs	175,241	-	(175,241)	-
Capacity & Innovation	138,126	70,000	(65,821)	142,305
Own Source Revenue Support	446,292	-	(446,292)	-
Community Opp Readiness	31,001	-	(31,001)	-
Family Violence Prevention	9,714	14,000	(13,999)	9,715
Community Based Initiatives	235,224	387,959	(508,166)	115,017
First Nation Representative	-	278,472	(3,930)	274,542
Community Dev Infra Plan	-	25,000	-	25,000
Prevention / Least Disruptive	-	1,589,786	-	1,589,786
UN Declaration of Rights	-	50,000	-	50,000
Women's Shelter	-	550,000	-	550,000
COVID-19				
EMAP Top Up	350,869	-	(350,869)	-
EMO Coordinator	23,859	70,000	(79,846)	14,013
O&M: Roads and Bridges	-	456,556	(261,927)	194,629
Band Housing 20-21	81,110	-	(81,110)	-
Band Housing 19-20	279,955	-	(143,969)	135,986
Education				
Instructional Services	1,478,254	-	(1,478,254)	-
Funding to Support Adult Ed	-	198,147	-	198,147
Summer Employment	-	33,417	-	33,417
Schools - O&M	-	1,711,721	(1,511,933)	199,788
Maple Sugar Program	17,601	-	(5,607)	11,994
COVID-19 - Post-Secondary	-	385,768	(333,384)	52,384
10-unit Teacherages	-	500,000	-	500,000
Jordan's Principle	16,456	-	(16,456)	-
Social Services				
Special Needs	75,639	85,452	(62,169)	98,922
In-Home Care	32,413	-	(32,413)	-
Service Delivery	303,293	351,910	(219,826)	435,377
	<u>3,884,524</u>	<u>6,808,188</u>	<u>(5,876,055)</u>	<u>4,816,657</u>
Other Deferred Revenue				
MB Hydro - Bipole III	252,570	250,617	(348,889)	154,298
Trailblaze	6,758	-	-	6,758
Forest Initiative	69,510	-	(69,510)	-
Forestry Settlement	-	265,000	(2,912)	262,088
Gov Leadership Training	-	35,000	-	35,000
Hydro Line Maintenance	65,990	-	-	65,990
Hydro Fire Shield	-	73,042	-	73,042
Indigenous Language Prop	-	77,900	-	77,900
ELCC - AHSOR	258,700	123,384	(231,756)	150,328
Health Canada				
Emergency Planning	121,967	25,212	(147,179)	-
Home & Community Care	183,791	455,463	(465,301)	173,953
Jordan's Principle	165,951	-	(165,951)	-
O&M Building (Flexible)	7,418	-	(7,418)	-
	<u>1,132,655</u>	<u>1,305,618</u>	<u>(1,438,916)</u>	<u>999,357</u>
	\$ 5,017,179	8,113,806	(7,314,971)	5,816,014

SAPOTAWEYAK CREE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

10) LONG-TERM DEBT

	2023	2022
Royal Bank of Canada, 2021 Governance Building loan Repayable at \$26,444 monthly, including interest at 6.24% per annum, maturing November 26, 2023	\$ 3,988,038	4,011,000
Royal Bank of Canada, 2021 Case Loader purchase Repayable at \$32,600 annually, plus interest at 8.7% per annum, maturing January 22, 2024	97,800	130,400
Royal Bank of Canada, 2022 paving loan Repayable at \$150,000 annually, plus interest at 8.2% per annum, maturing August 31, 2031	1,350,000	1,500,000
Royal Bank of Canada, 2022 Track Loader purchase Repayable at \$14,147 annually, plus interest at 8.7% per annum, maturing September 28, 2023	56,586	70,733
PETRO GAS BAR		
Royal Bank of Canada, 2020 gas station loan Repayable at \$5,161 monthly, plus interest at 3.73% per annum, maturing June 28, 2024	935,219	961,721
Suncor loan, forgivable	105,000	105,000
First People's Economic Growth Fund, gas station loan Repayable at \$7,426 monthly, including interest at 5.00% per annum, maturing August 2029	553,355	613,151
First People's Economic Growth Fund, interest free loan Repayable at \$2,500 monthly, including interest at 0.00% per annum, maturing August 2029	225,000	255,000
CLUB SAPP		
First Peoples Economic Growth Fund, repayable at \$2,500 monthly, interest at 0%, due June 2025. \$75,000 of the loan is potentially forgivable if all loan conditions are met.	90,000	120,000
SUB-TOTAL	<hr/> 7,400,998	<hr/> 7,767,005

SAPOTAWEYAK CREE NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

10) LONG-TERM DEBT (continued)

	2023	2022
CANADA MORTGAGE AND HOUSING CORPORATION (CMHC):		
Phase 1: Repayable at \$2,295 monthly including interest at 0.67% per annum, compounded semi-annually, matures May 2025, renewal date May 2025.	\$ 59,214	86,257
Phase 2: Repayable at \$4,775 monthly including interest at 3.91% per annum, compounded semi-annually, matures April 2027, renewal date April 2027.	216,059	265,845
Phase 3: Repayable at \$3,129 monthly including interest at 1.22% per annum, compounded semi-annually, matures January 2030, renewal date May 2026.	246,086	280,412
Phase 4: Repayable at \$5,172 monthly including interest at 3.04% per annum, compounded semi-annually, matures December 2031, renewal date June 2027.	476,652	525,111
Phase 6: Repayable at \$5,026 monthly including interest at 1.87% per annum, compounded semi-annually, matures January 2034, renewal date May 2024.	591,301	640,105
Phase 7: Repayable at \$4,831 monthly including interest at 2.27% per annum, compounded semi-annually, matures October 2036, renewal date April 2027.	677,577	720,303
Phase 8: Repayable at \$7,338 monthly including interest at 1.75% per annum, compounded semi-annually, matures October 2039, renewal date October 2024.	<u>1,268,912</u>	<u>1,334,218</u>
SUB-TOTAL - CMHC	3,535,801	3,852,251
Previous page	<u>7,400,998</u>	<u>7,767,005</u>
Total Long-term debt	10,936,799	11,619,256
Less: current portion	<u>1,911,152</u>	<u>1,410,832</u>
	<u>\$ 9,025,647</u>	<u>10,208,424</u>

Anticipated annual principal payments over the next five years are as follows:

2024	\$ 1,911,152
2025	2,951,641
2026	316,699
2027	398,418
2028	884,748

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

11) EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2023	2022
Amortization	\$ 4,375,211	3,983,590
Fees and contract services	4,134,737	10,637,736
Interest	395,921	244,654
Professional services	297,597	289,211
Rental expenditures	93,779	191,963
Salaries, wages and benefits	10,526,396	9,280,181
Staff development	735,642	355,820
Supplies and services	28,931,450	13,374,826
Travel	2,174,830	1,624,977
	\$ 51,665,563	39,982,958

12) CONTINGENT LIABILITY - SOCIAL SERVICES FUNDING

ISC has identified the following funding recoveries totalling \$265,155 related to the social services program:

- Basic Needs (2014 Social Compliance Review) 265,155

ISC has withheld social services funding owed to the First Nation totalling \$94,083 from the 2012-13 and 2013-14 fiscal years, that has not been recorded as a receivable by the First Nation. This withheld funding may be applied against the basic needs funding recoveries above in the event of repayment. Until such time as the terms of repayment have been established and a mutual agreement is reached, the First Nation is disclosing these recoveries as contingent liabilities.

13) COMMITMENTS

The First Nation has entered into agreements with Manitoba Liquor and Lotteries with respect to the Video Lotto Terminals (VLT) in use at Club SAPP and The Loonie Bin Gaming Lounge. The First Nation is committed to combined weekly payments of \$3,241 (\$168,532 annually) for the use of the VLTs.

14) COMPARATIVE FIGURES

Comparative figures have been provided where practicable in the Schedules of Revenue and Expenditures. Certain comparative figures have been reclassified to conform to the current year's method of presentation.

SAPOTAWEYAK CREE NATION
SUMMARY OF ISC AND OTHER FUNDING
FOR THE YEAR ENDED MARCH 31, 2023
(Uaudited)

	PAGE	REVENUE				UNEXPENDED FUNDING BEGINNING OF YEAR	TOTAL	EXPENDITURE	UNEXPENDED FUNDING END OF YEAR	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE					
		ISC	OTHER	UNEXPENDED FUNDING											
Band Support	18	\$ 625,049	1,498,892		-	2,123,941	2,369,245		-	(245,304)					
Band Employee Benefits	19	63,721	-		-	63,721	63,721		-	-					
Indian Registry Admins	19	19,491	-		-	19,491	19,491		-	-					
RLEMP	20	27,644	-		-	27,644	117,100		-	(89,456)					
Community Based Initiatives	21	387,959	-	235,224		623,183	508,166	115,017		-					
First Nation Representative	21	278,472	-	-		278,472	3,930	274,542		-					
Community Dev Infra Plan	22	25,000	-	-		25,000	-	25,000		-					
Own Source Rev. Support	22	-	-	446,292		446,292	446,292	-		-					
Prevention/Least Disruptive	23	1,589,786	-	-		1,589,786	-	1,589,786		-					
UN Declaration of Rights	23	50,000	-	-		50,000	-	50,000		-					
Women's Shelter	23	550,000	-	-		550,000	-	550,000		-					
Policing	24	-	223,214		-	223,214	326,714	-		(103,500)					
Family Violence Prevention	24	14,000	-	9,714		23,714	13,999	9,715		-					
Economic Development	25	85,164	6,900	22,372		114,436	126,748	-		(12,312)					
Ec Dev: Add to Reserve	25	30,000	-	-		30,000	-	30,000		-					
Community Opportunity	26	-	-	31,001		31,001	48,708	-		(17,707)					
PIDP	27	-	-	-		-	-	-		-					
COVID-19	34	338,382	-	350,869		689,251	691,593	-		(2,342)					
Education	37	9,879,139	501,449	1,512,311		11,892,899	11,454,626	995,730		(557,457)					
Social Services	55	2,964,041	-	411,345		3,375,386	3,272,533	534,299		(431,446)					
Capital and O&M	58	2,184,029	365,935	865,396		3,415,360	2,826,044	628,555		(39,239)					
Health Canada	68	-	4,665,757	737,827		5,403,584	5,309,173	324,281		(229,870)					
Other programs		-	23,555,132	394,828		23,949,960	24,067,480	689,089		(806,609)					
		\$ 19,111,877	30,817,279	5,017,179		54,946,335	51,665,563	5,816,014		(2,535,242)					