

SAPOTAWEYAK CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

SAPOTAWEYAK CREE NATION

MANAGEMENT'S REPORT

FOR THE YEAR ENDED MARCH 31, 2024

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.

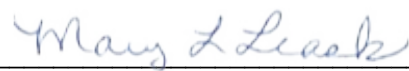
On behalf of Sapotaweyak Cree Nation:



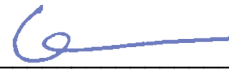
Chief Nelson Genaille



Councillor Surinder Dhillon



Councillor Mary Lou Leask



Councillor Reynold Cook



Councillor Myrtle Bilow



Councillor Fred Stevens

August 7, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Saptaweyak Cree Nation:

Opinion

We have audited the consolidated financial statements of Saptaweyak Cree Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2024, 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 Saptaweyak Cree Nation as at March 31, 2024 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.



Winnipeg, Manitoba
August 7, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS


SAPOTAWEYAK CREE NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

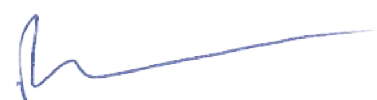
AS AT MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 11,756,620	5,585,046
Restricted cash (Note 2)	366,503	373,676
Accounts receivable (Note 3)	603,718	1,247,307
Inventory for resale	173,556	124,814
Trust funds held by the federal government (Note 4)	962	917
Investment in government business partnerships (Note 5)	519,873	118,307
	<u>13,421,232</u>	<u>7,450,067</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	961,837	550,147
Unexpended funding (Note 9)	11,143,473	5,704,927
Long-term debt (Note 10)	11,354,951	10,936,799
	<u>23,460,261</u>	<u>17,191,873</u>
NET DEBT	\$ <u><u>10,039,029</u></u>	<u><u>9,741,806</u></u>
NON-FINANCIAL ASSETS		
Construction in progress	\$ 6,715,534	1,314,886
Tangible Capital Assets (Note 6)	43,776,394	46,721,432
	<u>50,491,928</u>	<u>48,036,318</u>
ACCUMULATED SURPLUS	\$ <u><u>40,452,899</u></u>	<u><u>38,294,512</u></u>

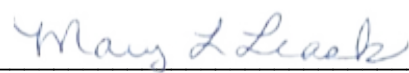
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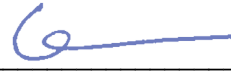
Chief Nelson Genaille



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Councillor Myrtle Bilow



Councillor Fred Stevens

SAPOTAWEYAK CREE NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUES		
ISC	\$ 22,140,611	19,111,877
FNIHB	7,250,704	4,346,314
Federal Government - MKO	724,496	595,426
Federal Government - other	6,872,261	-
Province of Manitoba	1,019,464	1,177,636
CMHC	365,606	558,178
Rental income	254,876	262,001
Other revenue	25,968,468	23,986,301
Loss from investment in government business partnerships	(26,706)	(108,576)
Net transfer from (to) unexpended funding	<u>(5,438,546)</u>	<u>(687,749)</u>
	<u>59,131,234</u>	<u>49,241,408</u>
EXPENSES		
Band government	3,268,353	2,981,811
Community development	7,596,725	6,107,266
Economic development	1,499,828	839,289
Education	12,098,542	11,141,552
Social services	4,542,134	4,110,434
Health	9,832,820	5,878,295
Amortization	4,523,772	4,375,211
Other	<u>13,610,673</u>	<u>16,231,705</u>
	<u>56,972,847</u>	<u>51,665,563</u>
ANNUAL SURPLUS (DEFICIT)	2,158,387	(2,424,155)
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	<u>38,294,512</u>	<u>40,718,667</u>
ACCUMULATED SURPLUS AT END OF YEAR	<u>\$ 40,452,899</u>	<u>38,294,512</u>

SAPOTAWEYAK CREE NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
ANNUAL SURPLUS (DEFICIT)	\$ 2,158,387	(2,424,155)
Acquisition of tangible capital assets	(1,578,734)	(2,330,712)
Amortization of tangible capital assets	4,523,772	4,375,211
Change in construction in progress	<u>(5,400,648)</u>	<u>(994,330)</u>
CHANGE IN NET DEBT	(297,223)	(1,373,986)
NET DEBT AT BEGINNING OF YEAR	<u>(9,741,806)</u>	<u>(8,367,820)</u>
NET DEBT AT END OF YEAR	\$ <u>(10,039,029)</u>	<u>(9,741,806)</u>

SAPOTAWEYAK CREE NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 2,158,387	(2,424,155)
Items not affecting cash:		
Amortization	4,523,772	4,375,211
Loss from investment in government business partnerships	26,706	108,576
	<u>6,708,865</u>	<u>2,059,632</u>
Change in non-cash charges to operations		
Accounts receivable	643,589	(525,418)
Inventory for resale	(48,742)	(2,714)
Trust funds held by the federal government (Note 4)	(45)	(15)
Accounts payable and accrued liabilities	411,690	373,126
Unexpended funding	5,438,546	687,748
Cash provided by (applied to) operating transactions	<u>13,153,903</u>	<u>2,592,359</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(1,578,734)	(2,330,712)
Purchase of assets under construction	(5,400,648)	(994,330)
	<u>(6,979,382)</u>	<u>(3,325,042)</u>
FINANCING TRANSACTIONS		
Debt issuance	1,529,939	-
Repayment of long-term debt	(1,111,787)	(682,457)
Cash provided by (applied to) financing transactions	<u>418,152</u>	<u>(682,457)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,164,401	(1,565,140)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,958,722</u>	<u>7,523,862</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 12,123,123</u></u>	<u><u>5,958,722</u></u>
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 11,756,620	5,585,046
Restricted cash	366,503	373,676
	<u><u>\$ 12,123,123</u></u>	<u><u>5,958,722</u></u>

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

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

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, 2024

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, 2024

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 caused 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, 2024 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, 2024

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:

	<u>2024</u>	<u>2023</u>
Externally restricted		
CMHC - Replacement Reserve	\$ 366,503	373,676
Internally restricted		
Unexpended funding	11,143,473	5,704,927
Unrestricted	613,147	(119,881)
Total cash and cash equivalents	\$ <u>12,123,123</u>	<u>5,958,722</u>

3) ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Trade receivables	\$ 84,833	490,682
Due from members		
Economic Development - start-up loans	100,468	109,893
Cash advance loans	192,244	135,249
Due from government and other government organizations		
Federal government		
Canada Mortgage and Housing Corporation	76,889	272,389
ISC	132,841	125,720
Service Canada (MKO)	246,743	199,463
Provincial government	63,559	155,851
	<u>897,577</u>	<u>1,489,247</u>
Less: Allowance for doubtful accounts	293,859	241,940
Total Accounts Receivable	\$ <u>603,718</u>	<u>1,247,307</u>

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

4) TRUST FUNDS HELD BY THE FEDERAL GOVERNMENT

	<u>March 31, 2023</u>	<u>Additions 2024</u>	<u>Withdrawals 2024</u>	<u>March 31, 2024</u>
Revenue	\$ 917	15	-	932
Capital	-	-	-	-
	<u>\$ 917</u>	<u>15</u>	<u>-</u>	<u>932</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>2024</u>	<u>2023</u>
Investment - Aseneskak Company Inc., at cost	\$ 117	117
Investment - Mahihkan Bus Lines GP Inc., at cost	-	10
Investment - Asenesak Casino Limited Partnership	385,000	385,000
Cummulative share of earnings	1,534,428	1,561,134
Cummulative dividends paid	(1,399,672)	(1,399,672)
	<u>519,756</u>	<u>546,462</u>
Investment - Mahihkan Bus Lines LP	-	10
Cummulative share of losses	-	(428,292)
	<u>-</u>	<u>(428,282)</u>
Total Investments in government business partnerships	\$ <u>519,873</u>	<u>118,307</u>

Subsequent to year end, Mahihkan Bus Lines ceased operations. Accordingly, the investment has been written off.

6) TANGIBLE CAPITAL ASSETS

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Buildings - CMHC	\$ 7,462,735	4,036,637	7,462,735	3,717,417
Buildings - band housing	23,480,279	19,652,090	23,480,279	19,232,858
Buildings - commercial	57,560,583	26,137,350	56,689,578	23,446,861
Equipment	5,789,844	4,946,668	5,241,886	4,573,874
Infrastructure	6,645,400	4,912,795	6,645,400	4,747,785
Roads	7,406,222	5,515,464	7,406,222	5,432,869
Vehicles	2,265,469	1,633,134	2,105,696	1,158,700
	<u>\$ 110,610,532</u>	<u>66,834,138</u>	<u>109,031,796</u>	<u>62,310,364</u>
Net book value	\$ <u>43,776,394</u>		\$ <u>46,721,432</u>	

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

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, 2024, the amount drawn on the operating line of credit (General) is \$Nil (2023 - \$Nil), the amount drawn on the demand loan (Capital) is \$Nil (2023 - \$Nil) and the amount drawn on the demand loan (Social) is \$Nil (2023 - \$Nil).

8) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade payables and accrued liabilities	\$ 919,848	536,390
Payroll liabilities	36,266	7,420
Accrued interest	5,723	6,337
	<u>\$ 961,837</u>	<u>550,147</u>

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

9) UNEXPENDED FUNDING

	Balance March 31, 2023	Funding Received 2024	Revenue Recognized 2024	Balance March 31, 2024
Federal Government - ISC				
New Water Treatment Plant	\$ 155,635	-	(16,922)	138,713
Economic Development	-	85,164	(67,254)	17,910
Ec Dev: Addition to Reserve	30,000	15,000	(45,000)	-
Capacity & Innovation	142,305	70,000	(127,915)	84,390
Family Violence Prevention	9,715	-	(9,715)	-
First Nation Representative	278,472	351,334	(408,809)	220,997
Community Dev Infra Plan	25,000	-	-	25,000
Indian Res Sch Survivors	-	675,528	(99,983)	575,545
Specific Claims	-	30,000	(1,926)	28,074
CFS Building Renovations	-	521,258	(108,682)	412,576
Prevention / Least Disruptive	1,589,786	2,581,850	(935,658)	3,235,978
UN Declaration of Rights	50,000	-	(30,614)	19,386
Firesmart	-	5,374	-	5,374
Women's Shelter	550,000	538,325	(724,325)	364,000
EMO Coordinator	14,013	-	(14,013)	-
O&M: Roads and Bridges	194,629	477,859	(590,426)	82,062
Band Housing 19-20	135,986	-	(135,986)	-
Band Housing 23-24	-	356,156	-	356,156
Education				
Funding to Support Adult Ed	198,147	-	(198,147)	-
Summer Employment	33,417	-	(33,417)	-
Schools - O&M	199,788	-	(199,788)	-
Maple Sugar Program	11,994	4,810	(16,804)	-
COVID-19 - Post-Secondary	52,384	-	(52,384)	-
10-unit Teacherages	500,000	-	-	500,000
Innovation in Education	-	21,683	(6,990)	14,693
Jordan's Principle EAs	-	182,400	(104,950)	77,450
Social Services				
Special Needs	98,922	64,089	(14,680)	148,331
Service Delivery	435,377	317,045	(343,394)	409,028
	<u>4,705,570</u>	<u>6,297,875</u>	<u>(4,287,782)</u>	<u>6,715,663</u>
Other Deferred Revenue				
MB Hydro - Bipole III	154,298	-	(22,299)	131,999
Trailblaze	6,758	-	-	6,758
Forestry Settlement	262,088	152,135	(107,390)	306,833
Gov Leadership Training	35,000	-	-	35,000
Hydro Line Maintenance	65,990	45,360	(68,530)	42,820
Hydro Fire Shield	73,042	-	(73,042)	-
Nature United	-	95,000	(40,740)	54,260
CMHC RRAP	-	208,600	-	208,600
CMHC Rapid Housing Initiative	-	3,923,661	(1,667,072)	2,256,589
Indigenous Language Prop	77,900	-	-	77,900
ELCC - AHSOR	150,328	269,795	(136,250)	283,873
Daycare - urgent repairs	-	153,814	(113,722)	40,092
FNIHB				
Home & Community Care	173,953	-	(173,953)	-
Jordan's Principle	-	4,056,270	(3,073,184)	983,086
	<u>999,357</u>	<u>8,904,635</u>	<u>(5,476,182)</u>	<u>4,427,810</u>
\$	<u>5,704,927</u>	<u>15,202,510</u>	<u>(9,763,964)</u>	<u>11,143,473</u>

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

10) LONG-TERM DEBT

	2024	2023
Royal Bank of Canada, 2021 Governance Building loan Repayable at \$26,444 monthly, including interest at 8.45% per annum, maturing November 26, 2024	\$ 3,602,242	3,988,038
Royal Bank of Canada, 2021 Case Loader purchase Repayable at \$32,600 annually, plus interest at 8.7% per annum, maturing January 22, 2024	65,200	97,800
Royal Bank of Canada, 2024 10-unit teacherage construction loan Monthly interest only payment at 8.25% per annum, maturing June 30, 2024	1,529,939	-
Royal Bank of Canada, 2022 paving loan Repayable at \$150,000 annually, plus interest at 8.2% per annum, maturing August 31, 2031	1,200,000	1,350,000
Royal Bank of Canada, 2022 Track Loader purchase Repayable at \$14,147 annually, plus interest at 8.95% per annum, maturing September 28, 2024	42,440	56,586
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	907,990	935,219
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	490,561	553,355
First People's Economic Growth Fund, interest free loan Repayable at \$2,500 monthly, including interest at 0.00% per annum, maturing August 2029	195,000	225,000
CLUB SAPP		
First Peoples Economic Growth Fund, \$15,000 repaid during the year, balance of \$75,000 was forgiven in accordance with the terms of the loan	-	90,000
SUB-TOTAL	<u>8,138,372</u>	<u>7,400,998</u>

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

10) LONG-TERM DEBT (continued)

	<u>2024</u>	<u>2023</u>
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.	\$ 31,990	59,214
Phase 2: Repayable at \$4,775 monthly including interest at 3.91% per annum, compounded semi-annually, matures April 2027, renewal date April 2027.	166,275	216,059
Phase 3: Repayable at \$3,129 monthly including interest at 1.22% per annum, compounded semi-annually, matures January 2030, renewal date May 2026.	211,345	246,086
Phase 4: Repayable at \$5,172 monthly including interest at 3.04% per annum, compounded semi-annually, matures December 2031, renewal date June 2027.	428,358	476,652
Phase 6: Repayable at \$5,026 monthly including interest at 1.87% per annum, compounded semi-annually, matures January 2034, renewal date May 2024.	541,603	591,301
Phase 7: Repayable at \$4,831 monthly including interest at 2.27% per annum, compounded semi-annually, matures October 2036, renewal date April 2027.	634,501	677,577
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>1,202,507</u>	<u>1,268,912</u>
SUB-TOTAL - CMHC	3,216,579	3,535,801
Previous page	<u>8,138,372</u>	<u>7,400,998</u>
Total Long-term debt	11,354,951	10,936,799
Less: current portion	<u>4,678,588</u>	<u>1,410,832</u>
	\$ <u>6,676,363</u>	<u>9,525,967</u>

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

2025	\$ 4,678,588
2026	436,698
2027	548,409
2028	1,035,510
2029	256,716

SAPOTAWEYAK CREE NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

11) EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2024	2023
Amortization	\$ 4,523,772	4,375,211
Fees and contract services	10,467,443	4,134,737
Interest	510,251	395,921
Professional services	338,525	297,597
Rental expenditures	598,253	93,779
Salaries, wages and benefits	12,043,421	10,526,396
Staff development	613,677	735,642
Supplies and services	25,019,075	28,931,450
Travel	2,858,430	2,174,830
	\$ 56,972,847	51,665,563

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
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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, 2024
(Unaudited)

REVENUE								
	PAGE	ISC	OTHER	UNEXPENDED FUNDING BEGINNING OF YEAR	TOTAL	EXPENDITURE	UNEXPENDED FUNDING END OF YEAR	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE
Band Support	18	\$ 681,846	1,764,472	-	2,446,318	2,647,174	-	(200,856)
Band Employee Benefits	19	71,342	-	-	71,342	71,342	-	-
Indian Registry Admins	19	21,836	-	-	21,836	21,836	-	-
RLEMP	19	70,000	-	-	70,000	171,076	-	(101,076)
Community Based Initiatives	20	-	-	-	-	-	-	-
First Nation Representative	21	351,334	-	278,472	629,806	408,809	220,997	-
Prevention/Least Disruptive	22	2,581,850	-	1,589,786	4,171,636	935,658	3,235,978	-
Indian Res School Survivors	23	675,528	-	-	675,528	99,983	-	575,545
Community Dev Infra Plan	24	-	-	25,000	25,000	-	25,000	-
Own Source Rev. Support	24	-	-	-	-	-	-	-
Women's Shelter	25	538,325	1,740,000	550,000	2,828,325	2,464,325	364,000	-
UN Declaration of Rights	25	-	-	50,000	50,000	30,614	19,386	-
Specific Claims	26	30,000	-	-	30,000	1,926	28,074	-
Firesmart	26	5,374	-	-	5,374	-	5,374	-
Policing	27	-	84,000	-	84,000	88,190	-	(4,190)
Family Violence Prevention	27	14,000	-	9,715	23,715	27,434	-	(3,719)
Economic Development	28	85,164	60,522	-	145,686	127,776	17,910	-
Ec Dev: Add to Reserve	28	15,000	-	30,000	45,000	45,000	-	-
Community Opportunity	29	-	-	-	-	-	-	-
PIDP	30	-	-	-	-	42,515	-	(42,515)
COVID-19	31	-	-	-	-	750	-	(750)
Education	32	10,545,222	75,669	995,730	11,616,621	11,221,248	514,693	(119,320)
Social Services	51	3,323,123	-	534,299	3,857,422	3,033,192	557,359	266,871
Capital and O&M	54	3,130,667	4,346,171	642,568	8,119,406	4,894,069	3,330,486	(105,149)
FNIHB	65	-	7,530,529	324,281	7,854,810	6,737,469	1,344,409	(227,068)
Other programs		-	26,827,806	675,076	27,502,882	23,902,461	1,479,807	2,120,614
		\$ 22,140,611	42,429,169	5,704,927	70,274,707	56,972,847	11,143,473	2,158,387