

Wuskwi Sipihk First Nation
Financial Statements

March 31, 2024

Wuskwi Sipihk First Nation

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For the year ended March 31, 2024

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Management's Responsibility

To the Members of Wuskwi Sipihk First Nation

The accompanying consolidated financial statements of Wuskwi Sipihk First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Wuskwi Sipihk First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.



Chief



Burkeay

Finance
Administrator

To the Members of Wuskwi Sipihk First Nation:

Opinion

We have audited the consolidated financial statements of Wuskwi Sipihk First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, accumulated operating surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2024, and the results of its operations, changes in its net debt and its 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the First Nation as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

Swan River, Manitoba

April 2, 2025

MNP LLP

Chartered Professional Accountants

MNP

Wuskwi Sipihk First Nation
Statement of Financial Position
As at March 31, 2024

	2024	2023
Financial assets		
Cash and cash equivalents	4,297,868	6,090,641
Restricted cash (Note 4)	310,354	855,996
Accounts receivable (Note 5)	1,568,517	2,307,667
Inventory for resale	214,293	109,516
Investments	206	206
Investments in First Nation partnerships (Note 6)	88,839	115,545
	6,480,077	9,479,571
Liabilities		
Accounts payable and accruals (Note 7)	2,307,313	3,689,702
Deferred revenue (Note 8)	5,307,393	6,252,940
Long-term debt (Note 9)	8,088,255	6,852,205
	15,702,961	16,794,847
Net debt	(9,222,884)	(7,315,276)
Commitments and contingencies (Note 16)		
Subsequent event (Note 21)		
Non-financial assets		
Tangible capital assets (Note 10) (Schedule 1)	56,802,465	51,214,995
Prepaid expenses (Note 11)	903,700	1,930,564
	57,706,165	53,145,559
Accumulated surplus	48,483,281	45,830,283

Approved on behalf of Chief and Council





 Maxell

Wuskwi Sipihk First Nation
Statement of Operations
For the year ended March 31, 2024

	<i>Schedules</i>	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
Revenue				
Indigenous Services Canada (ISC) (Note 13)		1,562,298	9,564,950	10,595,225
Indigenous Services Canada - Health (Note 13)		3,836,480	6,747,191	3,587,086
Employment and Social Development Canada (Note 13)		-	152,695	152,695
Canada Mortgage and Housing Corporation (Note 13)		-	224,426	142,081
Northern Affairs Canada (TLE)		-	-	1,000,000
Gas Bar and Mafeking Services sales		-	2,740,861	1,539,158
Video Lottery Terminals		-	126,770	116,374
User fees		12,000	18,000	6,000
Rental income		168,000	694,373	306,863
Manitoba Hydro		-	10,578	110,911
Province of Manitoba		-	25,000	-
Repayment of funding		-	(129,625)	-
Earnings (loss) from investment in Nation partnerships		-	(26,706)	(37,318)
Other revenue		466,319	816,633	869,870
Deferred revenue from the prior year		74,315	6,252,940	5,876,283
Deferred revenue to following year		-	(5,307,393)	(6,252,940)
Government of Manitoba - Crown Dues		-	1,949,838	-
First Nations Lands Management - Forestry		-	-	465,000
Government of Manitoba - Justice		-	-	380,765
First Nations Drinking Water Class Action settlement		-	-	500,000
		6,119,412	23,860,531	19,358,053
Program expenses				
Band Government and General Operations (ISC)	4	2,504,704	7,892,601	7,176,624
Health Programs	5	3,822,825	6,315,038	3,501,331
Administration and Housing	6	-	3,063,465	2,032,272
Gas Bar	7	-	1,468,256	1,629,363
Mafeking Services Ltd.	8	-	1,271,207	-
Capital	9	-	986,768	998,259
New Country Motel	10	-	234,055	9,335
Video Lotto Terminals	12	-	126,770	53,526
Treaty Land Entitlement (TLE) Settlement	11	-	70,587	643,459
Own Source Education	13	-	60,844	19,209
		6,327,529	21,489,591	16,063,378
Surplus (deficit) before other items		(208,117)	2,370,940	3,294,675

Continued on next page

Wuskwi Sipihk First Nation
Statement of Operations
For the year ended March 31, 2024

	<i>Schedules</i>	<i>2024 Budget (Unaudited)</i>	<i>2024</i>	<i>2023</i>
Surplus (deficit) before other items <i>(Continued from previous page)</i>		(208,117)	2,370,940	3,294,675
Other income (expense)				
Fuel tax rebates		-	43,520	50,913
Gain on disposal of capital assets		-	227,386	-
Purchase premium - Mafeking Services Ltd. <i>(Note 20)</i>		-	(388,139)	-
Tobacco tax rebates		-	74,386	67,774
		-	(42,847)	118,687
Surplus (deficit)		(208,117)	2,328,093	3,413,362

Wuskwi Sipihk First Nation
Statement of Accumulated Operating Surplus
For the year ended March 31, 2024

	2024	2023
Accumulated operating surplus, beginning of year	45,830,283	42,416,921
Surplus	2,328,093	3,413,362
<u>Adjustment to accumulated surplus - Mafeking Services Ltd. (Note 20)</u>	<u>324,905</u>	-
Accumulated operating surplus, end of year	48,483,281	45,830,283

Wuskwi Sipihk First Nation
Statement of Change in Net Debt

For the year ended March 31, 2024

	2024 <i>Budget</i>	2024	2023
Annual surplus	(208,117)	2,328,093	3,413,362
Purchases of tangible capital assets	-	(7,643,733)	(5,845,883)
Amortization of tangible capital assets	-	2,205,709	2,090,735
Loss on sale of tangible capital assets	-	(227,386)	-
Proceeds of disposal of tangible capital assets	-	319,786	-
	-	(5,345,624)	(3,755,148)
Acquisition of prepaid expenses	-	-	(1,904,761)
Use of prepaid expenses	-	1,026,864	-
Tangible capital assets acquired - Mafeking Services Ltd.	-	(241,846)	-
Adjustment to accumulated surplus - Mafeking Services Ltd. (Note 20)	-	324,905	-
	-	1,109,923	(1,904,761)
Increase in net debt	(208,117)	(1,907,608)	(2,246,547)
Net debt, beginning of year	(7,315,276)	(7,315,276)	(5,068,729)
Net debt, end of year	(7,523,393)	(9,222,884)	(7,315,276)

Wuskwi Sipihk First Nation
Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	2,328,093	3,413,362
Non-cash items:		
Amortization	2,205,709	2,090,735
Deferred revenue from prior year (net of deferrals in current year)	(945,547)	375,657
Gain on disposal of capital assets	(227,386)	-
Loss from investment in Nation partners	26,706	37,318
Adjustment to accumulated surplus - Mafeking Services Ltd. (Note 20)	324,905	-
Changes in working capital accounts:		
Accounts receivable	739,150	507,299
Prepaid expenses	1,026,864	(1,904,761)
Accounts payable and accruals	(1,382,392)	2,759,530
Restricted cash	545,642	282,955
Investments	-	42
Inventory held for sale	(104,774)	4,916
	4,536,970	7,567,053
Financing activities		
Advances of long-term debt	2,683,227	4,025,250
Repayment of long-term debt	(1,447,177)	(1,489,233)
	1,236,050	2,536,017
Capital activities		
Purchases of tangible capital assets	(7,643,733)	(5,845,883)
Proceeds of disposal of tangible capital assets	319,786	-
Capital assets acquired in purchase of Mafeking Services Ltd. (Note 20)	(241,846)	-
	(7,565,793)	(5,845,883)
Increase (decrease) in cash resources	(1,792,773)	4,257,187
Cash resources, beginning of year	6,090,641	1,833,454
Cash resources, end of year	4,297,868	6,090,641

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

1. Operations

The Wuskwi Sipihk First Nation (the "First Nation") is located in the province of Manitoba, and provides various services to its members. Wuskwi Sipihk First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Change in accounting policies

Effective April 1, 2023, the First Nation adopted the recommendations relating to Revenue and Partnerships, as set out in the Canadian public sector accounting standards.

Revenue

Effective April 1, 2023, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 *Revenue*. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated because there was no material impact of the application of the new accounting recommendations.

Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions", as described in Note 3.

Public Private Partnerships

Effective April 1, 2023, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement, and disclosure of public private partnership arrangements under PS 3160 *Public Private Partnerships*. The new standard establishes when an agreement between the First Nation and a private sector partner to procure infrastructure (or better infrastructure) meets the requirements to be recognized as a public private partnership. The standard establishes guidance on when to recognize and how to measure infrastructure assets and the related liabilities within public private partnership arrangements and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated because there was no material impact of the application of the new accounting recommendations.

3. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for government business entities. Trusts administered on behalf of third parties by Wuskwi Sipihk First Nation are excluded from the First Nation reporting entity.

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

- Wuskwi Sipihk First Nation Band Governance and Administration
- Wuskwi Sipihk First Nation Capital Facilities
- Wuskwi Sipihk First Nation Community Services
- Wuskwi Sipihk First Nation Education Authority
- Wuskwi Sipihk First Nation Economic Development
- Wuskwi Sipihk First Nation Employment, Training and Daycare
- Wuskwi Sipihk First Nation Gas Bar

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

3. Significant accounting policies *(Continued from previous page)*

Reporting entity *(Continued from previous page)*

- Wuskwi Sipihk First Nation Health Authority
- Wuskwi Sipihk First Nation Housing Authority
- Wuskwi Sipihk First Nation Social Services
- Wuskwi Sipihk First Nation Video Lottery Terminals (VLT)
- New Country Motel
- Wuskwi Sipihk First Nation TLE Settlement
- Mafeking Services Ltd. (Note 20)
- 10162438 Manitoba Ltd. (Brandon Bus Depot)

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

Investments in First Nation partnerships are included in the financial statements 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 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:

- Aseneskak Casino Limited Partnership
- Aseneskak Company Inc.
- Mahihkan Bus Lines Limited Partnership
- Mahihkan Bus Lines General Partner Inc.
- Nekote Limited Partnership
- Nekote General Partner Inc.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Cost of inventories of items that are segregated for specific projects is assigned by using specific identification of their individual costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

3. Significant accounting policies *(Continued from previous page)*

Inventory *(Continued from previous page)*

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2024, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the First Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Amortization

Social housing assets acquired under Canada Mortgage and Housing Corporation ("CMHC") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long-term debt. Amortization for other tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Land improvements	declining balance	3 - 10 %
Buildings	declining balance	2 - 4 %
Roads and bridges	declining balance	2 - 5 %
Water and sewer	declining balance	2 - 5 %
Housing	declining balance	2 - 4 %
Equipment and computers	declining balance	5 - 25 %
Vehicles	declining balance	10 - 30 %

Long-term debt

Long-term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long-term debt.

Repayments of long-term financing are recognized as a decrease in long-term debt.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated operating surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Long-lived assets and discontinued operations

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

3. Significant accounting policies *(Continued from previous page)*

Long-lived assets and discontinued operations *(Continued from previous page)*

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Net debt

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

Revenue recognition

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

3. Significant accounting policies *(Continued from previous page)*

Revenue recognition *(Continued from previous page)*

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Revenue from transactions with performance obligations is recognized when the First Nation satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

The First Nation recognizes rental and user fees at a point in time - e.g. once the service has been provided for the user fee or the dwelling has been provided for rental rates.

Rental and other revenue

Other revenues are earned from other services provided by the First Nation and are recognized at their fair value when the service has been provided.

Retail sales are recognized when the sale is made and the customer takes possession of the merchandise.

Rent is recorded in the year it is earned. At the end of each year, management evaluates the extent of the collectability of its rent revenue and records a bad debt expense and an allowance for doubtful accounts designated as unlikely to be collected.

Gaming revenue

The First Nation recognizes Video Lottery Terminals (VLT) revenue as the net win from gaming activities (the difference between gaming wins and gaming losses), consisting of slot machines, on a daily basis. Gaming revenue is gross of commissions paid to Manitoba Liquor and Lotteries which management believes is the most appropriate presentation of gaming revenue on the financial statements.

Insurance proceeds

Due to the inability to reasonably ascertain the proceeds ultimately receivable related to housing units damaged/destroyed, these proceeds are recognized only when the amounts have been confirmed through the actual receipts of funds.

Inter-entity transactions

The First Nation recognizes and records all transactions with entities within the government reporting entity ("inter-entity transactions") at their carrying amount as determined at the transaction date:

Measurement uncertainty

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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Payable to funding agencies is based on anticipated repayment requirements; however, actual repayments will be determined upon funding agencies review of the consolidated financial statements. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue.

Asset retirement obligations

A liability for an asset retirement obligation reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

3. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty *(Continued from previous page)*

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Segments

The First Nation conducts its business through nine reportable segments:

- Gas Bar - activities include providing retail services within the community for fuel, tobacco and grocery products.
- Video Lottery Terminals - activities include providing a form of gaming entertainment for community members which generates revenue for discretionary needs of the community members.
- Administration and Housing - includes the administration and governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.
- Own Source Education - activities include overseeing many aspects of educational opportunities for the First Nation community members at all levels of learning both within the community and externally.
- Other - other various activities carried out utilizing own-source funds.
- Band Government and Administration (ISC) - activities include administering various ISC funded programming, including such areas as public works and capital projects, economic development, employment and training, social assistance, education, etc.
- Health programs - activities include the delivery of programs to promote community-based health initiatives and non-insured health benefits.
- Capital - activities include the purchase and/or construction of major capital projects for the First Nation.
- New Country Motel - activities include providing rental services of the motel which generates revenue for discretionary needs of the community members.
- TLE Settlement - activities include the management and administration of funds received related to the treaty land entitlement claim.
- Mafeking Services Ltd. - activities include providing retail services within the community for fuel, tobacco, and grocery products.

These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 3 Significant accounting policies.

Employee future benefits

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

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

3. Significant accounting policies *(Continued from previous page)*

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

At March 31, 2024, the First Nation does not believe it has any significant asset retirement obligations.

4. Restricted cash

	2024	2023
Ottawa Trust Fund	19,820	19,168
New School	4,580	4,704
Lagoon	-	475,583
TLE Settlement	285,954	356,541

Ottawa Trust Fund

The Ottawa trust fund arises 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by sections 63 and 69 of the Indian Act. Revenue from the Ottawa Trust fund is recognized in the year in which it is earned when it is measurable and when collection is reasonably assured. Capital and Revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Chief and Council.

New School

In the prior year, the First Nation received funding from Indigenous Services Canada to be used for the construction of a new school. As at March 31, 2024, a balance of \$4,580 (2023 - \$4,704) remained unspent and externally restricted for that purpose.

Lagoon

In the prior year, the First Nation received funding from Indigenous Services Canada to be used for the construction of a new lagoon. As at March 31, 2024, a balance of \$0 (2023 - \$475,583) remained unspent and externally restricted for that purpose.

TLE Settlement

In the prior year, the First Nation received funding from Northern Affairs Canada related to the treaty land entitlement claim. As at March 31, 2024, a balance of \$285,954 (2023 - \$356,541) remained unspent and externally restricted for that purpose.

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

5. Accounts receivable

	2024	2023
Northern Affairs Canada (TLE)	-	1,000,000
Indigenous Services Canada	99,106	188,641
Fuel and tobacco tax rebates	39,284	28,306
Manitoba Keewatinowi Okimakanak Inc. (MKO)	108,969	43,900
GST receivable	3,392	2,623
Trade and other	1,326,650	1,238,935
Canada Mortgage and Housing Corporation	42,793	51,248
Less: Allowance for doubtful accounts	1,620,194	2,553,653
	51,677	245,986
	1,568,517	2,307,667

Accounts receivable from Indigenous Services Canada pertained to the following programs:

\$ 71,088 - Design-Construction (Q3XG) 22/23
 \$ 28,018 - Prov School Tuition (Q2EG) 23/24
 \$ 99,106

6. Investments in First Nation partnerships

The First Nation has investments in the following partnerships:

	2024			
	<i>Investment cost</i>	<i>Cumulative share of earnings (loss)</i>	<i>Cumulative dividends paid</i>	<i>Total investment</i>
First Nation Business Partnerships – Modified Equity:				
Aseneskak Casino Limited Partnership - 14.29%	385,000	1,534,428	(1,399,672)	519,756
Mahikan Bus Lines Limited Partnership - 16.67%	10	(428,292)	-	(428,282)
Nekote Limited Partnership - 14.29%	-	(2,635)	-	(2,635)
	385,010	1,103,501	(1,399,672)	88,839
	2023			
	<i>Investment cost</i>	<i>Cumulative share of earnings (loss)</i>	<i>Cumulative dividends paid</i>	<i>Total investment</i>
First Nation Business Partnerships – Modified Equity:				
Aseneskak Casino Limited Partnership - 14.29%	385,000	1,561,134	(1,399,672)	546,462
Mahikan Bus Lines Limited Partnership - 16.67%	10	(428,292)	-	(428,282)
Nekote Limited Partnership - 14.29%	-	(2,635)	-	(2,635)
	385,010	1,130,207	(1,399,672)	115,545

The First Nation's investment in Aseneskak Casino Limited Partnership was established for the purposes of developing and operating a First Nations casino on the Opaskwayak Cree Nation (OCN) Reserve, in Manitoba, licensed by the Manitoba Gaming Control Commission (MGCC). Wuskwi Sipihk First Nation owns one unit of the limited partnership, which represents 14.29% ownership interest. The First Nation also owns a 14.29% ownership interest in Aseneskak Company Inc. which operates as the general partner for the limited partnership.

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

6. Investments in First Nation partnerships *(Continued from previous page)*

The First Nation, as a limited partner in the Aseneskak Casino Limited Partnership, has guaranteed the obligations of the Limited Partnership to a maximum of \$1.05 million.

The First Nation's investment in Mahihkan Bus Lines Limited Partnership was established for the purposes of developing and operating a First Nations tour and bus line business. Wuskwi Sipihk First Nation owns one unit of the limited partnership, which represents a 16.67% ownership interest. The First Nation also owns a 16.67% ownership interest in Mahihkan Bus Lines General Partner Inc. which operates as the general partner for the limited partnership. The financial statements for the year ended March 31, 2024 were not available at the time of preparing the Wuskwi Sipihk First Nation financial statements. In September 2024, Mahihkan Bus Lines publicly announced that it had ceased operations (note 21). The March 31, 2023 financial information has been included based on the financial statements that were issued by Mahihkan Bus Lines, however; the independent auditor's report included with the financial statements for that year included a denial of opinion.

The First Nation's investment in Nekote Limited Partnership was established for the purpose of developing and maintaining sound forest management practices and to maximize economic opportunities and benefits for its First Nation partners' through strategic partnerships with companies operating in the forestry industry in Northern Manitoba. Wuskwi Sipihk First Nation owns one unit of the partnership, which represents a 14.29% interest. The First Nation also owns a 14.29% ownership interest in Nekote General Partner Inc. which operates as the general partner for the limited partnership. The March 31, 2022 financial statements were the most recent available at the time of the issuance of the audit.

Summary financial information for each First Nation business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Aseneskak Casino Limited Partnership As at March 31, 2024</i>	<i>Mahihkan Bus Lines Limited Partnership As at March 31, 2023</i>	<i>Nekote Limited Partnership As at March 31, 2022</i>
Assets			
Cash	1,192,485	-	3,571
Accounts receivable	18,129	146,853	4,097
Inventory	57,217	28,704	-
Investments	1,253,228	-	505
Prepaid expenses	49,343	-	-
Property, plant and equipment	1,540,918	1,783,590	-
Total assets	4,111,320	1,959,147	8,173
Liabilities			
Bank indebtedness	-	705,209	-
Accounts payable and accruals	436,013	1,708,819	18,046
Current portion of long-term debt	115,124	583,092	-
Long-term debt	191,675	566,148	-
Deferred government assistance	442,284	965,822	-
Advances from related party	-	-	8,575
Total liabilities	1,185,096	4,529,090	26,621
	2,926,224	(2,569,943)	(18,448)
Total revenue	5,690,752	2,140,355	240,824
Total expenses	5,877,694	2,647,320	273,365
Net loss	(186,942)	(506,965)	(32,541)
Comprehensive loss	(186,942)	(506,965)	(32,541)

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

7. Accounts payable and accruals

	2024	2023
Indigenous Services Canada	204,063	224,313
Indigenous Services Canada - Health	30,070	48,386
Accrued liabilities	76,783	71,712
Accrued wages and source deductions	124,841	125,566
Trade and other	1,506,679	2,749,508
Sales tax payable	18,197	16,266
Construction in progress	346,680	453,951
	2,307,313	3,689,702

Indigenous Services Canada accounts payable consists of the following:

\$ 6,750 - New paths
 \$ 49,411 - Social assistance
 \$ 9,338 - Prevention projects
 \$ 9,032 - Skills links
 \$ 18,876 - In home care - 2013/14
 \$ 53,300 - Basic needs and in home care - 2018/19
 \$ 31,348 - Basic needs - 2019/20
 \$ 4,940 - Special needs - 2019/20
 \$ 6,549 - In home care - 2019/20
\$ 14,519 - In home care - 2021/22
 \$ 204,063

Indigenous Services Canada - Health accounts payable consists of the following:

\$ 30,070 - Medical transportation - 2021/22

8. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year, March 31, 2023</i>	<i>Funding received 2024</i>	<i>Revenue recognized 2024</i>	<i>Balance, end of year, March 31, 2024</i>
Indigenous Services Canada - Economic Development	2,100	70,000	72,100	-
Indigenous Services Canada - Basic Needs	60,716	1,049,148	930,604	179,260
Indigenous Services Canada - Skills Link	8,761	-	-	8,761
Indigenous Services Canada - Provincial/Private ADM	18,546	35,558	54,104	-
Indigenous Services Canada - Provincial/Private Student Support	410	10,680	11,090	-
Indigenous Services Canada - FN School Second Level	4,622	136,609	141,231	-
Indigenous Services Canada - Student Accommodation	80,805	258,632	339,437	-
Indigenous Services Canada - Student Transportation	12,121	55,531	67,652	-
Indigenous Services Canada - School Targeted	-	20,108	-	20,108
Indigenous Services Canada - FN School Formula	93,522	1,368,107	1,461,629	-
Indigenous Services Canada - CFS Capital	-	110,000	-	110,000
Indigenous Services Canada - IT Capacity	-	112,465	19,338	93,127
Indigenous Services Canada - Targeted Lands	-	40,280	4,028	36,252
Indigenous Services Canada - Environmental Support	-	194,056	155,911	38,145
Indigenous Services Canada - Housing Construction	106,478	-	106,478	-
Indigenous Services Canada - Covid OSR	85,000	-	85,000	-
Indigenous Services Canada - Capital (New School)	75,793	-	120	75,673

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

8. Deferred revenue (Continued from previous page)

	<i>Balance, beginning of year, March 31, 2023</i>	<i>Funding received 2024</i>	<i>Revenue recognized 2024</i>	<i>Balance, end of year, March 31, 2024</i>
Indigenous Services Canada - Capital (New Lagoon)	451,632	1,738,861	2,103,230	87,263
Indigenous Services Canada - Adult Ed	57,588	73,349	130,937	-
Indigenous Services Canada - Basic Admin	40,000	-	40,000	-
Indigenous Services Canada - Design and Construction	1,609,750	236,036	129,558	1,716,228
Indigenous Services Canada - Least Disruptive Measures	32,539	534,063	548,213	18,389
Indigenous Services Canada - Basic Needs Inflation Relief	105,300	46,800	152,100	-
Indigenous Services Canada - Representative Service	-	80,805	41,576	39,229
Indigenous Services Canada - Other Health Programs	580,253	6,268,401	6,367,697	480,957
Employment and Social Development Canada	126,750	152,695	196,428	83,017
CMHC Housing - special contribution and rent	1,809,033	-	13,879	1,795,154
Other - grants	34,680	-	34,680	-
First Nations Drinking Water Class Action settlement	500,000	-	500,000	-
Northern Affairs Canada (TLE)	356,541	-	70,587	285,954
Forestry Consultation	-	239,876	-	239,876
	6,252,940	12,832,060	13,777,607	5,307,393

9. Long-term debt

	<i>2024</i>	<i>2023</i>
Canada Mortgage and Housing Corporation - (Phase 1) mortgage repayable in monthly installments of \$2,512 with interest at 2.4% included therein, due July 1, 2025, with renewal date of May 2024, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	39,515	68,333
Canada Mortgage and Housing Corporation - (Phase 2) mortgage repayable in monthly installments of \$4,292 with interest at 1.82% included therein, due June 1, 2029, with renewal date of May 2024, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	257,713	304,073
Canada Mortgage and Housing Corporation - (Phase 3) mortgage repayable in monthly installments of \$4,537 with interest at 3.84% included therein, due March 1, 2033, with renewal date of April 2029, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	414,024	453,183
Canada Mortgage and Housing Corporation - (Phase 4) mortgage repayable in monthly installments of \$4,884 with interest at 3.84% included therein, due July 1, 2033, with renewal date of April 2029, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	459,468	500,087
Canada Mortgage and Housing Corporation - (Phase 6) mortgage repayable in monthly installments of \$2,694 with interest at 3.29% included therein, due September 1, 2037, with renewal date of September 2027, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	352,519	372,938
Canada Mortgage and Housing Corporation - (Phase 7) mortgage repayable in monthly installments of \$2,848 with interest at 1.51% included therein, due November 1, 2041, with renewal date of November 2026, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	529,845	555,813

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

9. Long-term debt *(Continued from previous page)*

	2024	2023
First Nations Bank - loan repayable in monthly installments of \$4,635 with interest at prime plus 1.35% (8.55%) included therein, due November 1, 2028, with a renewal date of November 1, 2024, secured by a general security agreement and an assignment of fire insurance:	196,559	-
First Nations Bank - advances received for the construction of a oil change service station and multiplex to an authorized loan maximum of \$3,937,000 bearing interest at prime plus 1.65% (8.85%) (2023 - 8.85%) with payment terms to be finalized upon project completion secured by assets under construction with net book value of \$2,028,758 (2023 - \$993,250):	2,028,758	993,250
First Nations Bank - loan repayable in monthly installments of \$12,035 with interest at prime plus 1.35% (8.55%) (2023 - 8.55%) included therein, due February 1, 2043, with a renewal date of October 7, 2025, secured by a general security agreement and an assignment of fire insurance:	1,473,953	1,508,479
First Nations Bank - loan repayable in monthly installments of \$7,446 with interest at 7.34% (2023 - 7.34%) included therein, due December 1, 2026, secured by a general security agreement over assets and a Band Council Resolution redirecting all funds from Indigenous Services Canada, VLT revenue and Province of Manitoba rebates to the financial institution:	248,961	316,783
First Nations Bank - loan repayable in monthly installments of \$11,940 with interest at prime plus 1.35% (8.55%) included therein, due November 1, 2028, with a renewal date of November 1, 2024, secured by a general security agreement and an assignment of fire insurance:	684,200	-
First Nations Bank - loan repayable in monthly installments of \$8,701 with interest at 7.55% included therein, due November 1, 2034, with a renewal date of November 1, 2029, secured by a mortgage on the land and building located at 121 - 6th Street Brandon, MB (net book value - \$1,514,448), a general security agreement and an assignment of fire insurance:	715,521	-
First Nations Bank - loan repayable in monthly interest only installments of prime plus 1.55% (8.75%), secured by a Band Council Resolution redirecting \$1,000,000 of funding from Northern Affairs Canada to the financial institution, paid in full:	-	1,000,000
Manitoba Liquor and Lotteries Corporation - loan repayable in weekly installments of \$349 with interest at 2.9% included therein, due June 2029, secured by VLT machines with a net book value of \$82,142 (2023 - \$98,571) :	90,195	105,509
Manitoba Liquor and Lotteries Corporation - loan repayable in weekly installments of \$510 with interest at 2.35% included therein, paid in full:	-	9,642
Royal Bank of Canada - loan repayable in monthly installments of \$1,667 plus interest at 5.19% (2023 - 5.19%), due November 24, 2026, secured by a general security agreement over assets and a Band Council Resolution redirecting up to \$213,000 annually from Indigenous Services Canada to the financial institution:	253,333	273,334
Royal Bank of Canada - loan repayable in monthly installments of \$9,642 (2023 - \$6,750) plus interest at prime plus 5.03% (12.23%) (2023 - 11.73%), due October 25, 2027, secured by a general security agreement over assets:	343,691	390,781
	8,088,255	6,852,205

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

9. Long-term debt *(Continued from previous page)*

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2025	593,601
2026	613,695
2027	646,774
2028	579,332
2029	474,841
	<hr/>
	2,908,243
<hr/> Thereafter	<hr/>
	5,294,282

Interest on long-term debt amounted to \$427,878 (2023 - \$151,623).

The terms of the long-term loans totalling \$5,347,952 (2023 - \$2,818,512) with First Nations Bank requires that certain measurable covenants be met. As at March 31, 2024, the First Nation was in violation of certain covenants, for which the lender subsequently provided a written waiver stating that it will not demand repayment of the debt for a period of more than one year from March 31, 2024. It is management's view that the First Nation will not violate covenants at future compliance dates within one year of the statement of financial position date.

10. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

The tangible capital assets include assets under construction, which includes the lagoon project, the wellness camp, multi-use building, splash park, outdoor rink, and garage with a carrying value of \$16,568,559 (2023 - \$11,220,743). No amortization of these assets have been recorded during the year because they are currently under construction. The majority of these projects are expected to be completed in the 2025 fiscal year.

11. Prepaid expenses and deposits

Prepaid expenses and deposits includes a \$730,750 (2023 - \$425,000) deposit made on a contract for the construction of four housing units (see note 16). The prior year balance also included \$1,415,564 related to the purchase of the bus depot in Brandon, MB. The First Nation took possession of the bus depot in September 2023.

12. Replacement reserve

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established the following:

- A replacement reserve, established by an annual allocation of \$41,129 (2023 - \$23,978), to ensure replacement of buildings financed by CMHC. At March 31, 2024, \$0 (2023 - \$0) have been set aside to fund this reserve. This reserve is unfunded at March 31, 2024.
- Under the terms of agreement with CMHC, any subsidy surplus may be retained in an operating reserve, and may be used to meet future subsidy requirements of income test occupants, over and above the maximum federal assistance. As at March 31, 2024, the Nation did not hold any funds in an operating reserve account.

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

13. Government transfers

During the year, the First Nation recognized the following government transfers:

	2024	2023
Indigenous Services Canada - operating	7,127,415	7,603,531
Indigenous Services Canada - capital	2,437,535	2,991,694
Indigenous Services Canada (Health) - operating	6,607,459	3,587,086
Indigenous Services Canada (Health) - capital	139,732	-
Canada Mortgage and Housing Corporation - operating	224,426	142,081
Employment and Social Development Canada - operating	152,695	152,695
	16,689,262	14,477,087

14. Post-employment benefits

Defined contribution pension plan

The First Nation has a defined contribution pension plan covering substantially all full-time employees. Contributions to the plan are based on matching participants' contributions to a maximum of 5% of gross earnings. The First Nation contributions and corresponding expense totalled \$65,843 in 2024 (2023 - \$57,314).

15. Budget information

The disclosed budget information has been approved by the Chief and Council of the Wuskwi Sipihk First Nation.

16. Commitments

The First Nation has entered into several contracts for the construction of a new lagoon. The total budgeted cost of this project is \$11.1 million. At March 31, 2024, the First Nation has expended \$10.8 million of the budgeted cost, with the remaining \$0.3 million expected to be incurred by March 31, 2025.

The First Nation has entered into a contract for construction services for the oil service bays and multiplex project. The contract stipulated an estimated total fee of \$3,973,000. Payments are due based on progress and invoices submitted to the First Nation. Chief and Council may terminate the contract at any time; however, the First Nation is obligated to make payment for amounts payable for work completed.

The First Nation has entered into a contract for co-management services. The First Nation is required to pay \$25,000 per month for these services. The contract will remain in effect on a month to month basis until either party provides written notice to terminate or such time that the First Nation is no longer in co-management.

A portion of the balance included as surpluses (deficits) is from funds contributed by government agencies. Such surpluses (deficits) may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions in the fiscal period in which such determination is made.

The Authority has entered into a contract for the construction of four housing units. The total contract commitment for these units is \$1,795,000. A \$730,750 (2023 - \$425,000) deposit has been made on this contract at March 31, 2024 and is included in prepaid expenses. It is anticipated the construction of these units will be completed in the March 31, 2025 fiscal year.

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

17. Economic dependence

Wuskwi Sipihk First Nation receives substantially all of its revenue from Indigenous Services Canada as a result of Treaties entered into with the Government of Canada. These treaties are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

Due to certain factors with respect to the financial status of the First Nation, the Nation is party to a Remedial Management Plan agreement with Indigenous Services Canada. Under the terms of the agreement, funding from the Remedial Management Plan can be suspended if the First Nation does not comply with the terms of the agreement.

18. Financial Instruments

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

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

A credit concentration exists related to accounts receivable because substantially all of its accounts receivable are from government agencies. However, the First Nation believes that there is minimal risk associated with the collection of these amounts.

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation enters into transactions to purchase goods and services on credit; borrow funds from financial institutions or other creditors; lease office equipment from various creditors, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the First Nation's future net cash flows for the possibility of negative net cash flow.

Contractual maturities of long-term debt are disclosed in Note 9.

The First Nation manages the liquidity risk resulting from accounts payable and long-term debt by diversifying its sources of funding and by maintaining adequate cash and credit facilities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through its normal operating and financing activities.

The First Nation is exposed to interest rate risk on its long-term debt as they are at fixed and variable rates. The First Nation's rates and maturity dates are detailed in Note 9. Fixed rate long-term debt totals \$5,140,891 (2023 - \$4,151,391) and variable long-term debt totals \$2,947,364 (2023 - \$2,700,814).

19. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Wuskwi Sipihk First Nation
Notes to the Financial Statements
For the year ended March 31, 2024

20. Acquisition of Mafeking Services Ltd.

On October 1, 2023, the Nation acquired 100% of the outstanding common shares of Mafeking Services Ltd. The results of Mafeking Services Ltd.'s operations have been included in these consolidated financial statements since that date. Mafeking Services Ltd. is a retail business that sells fuel, tobacco and grocery products.

The aggregate purchase price of \$528,609, comprised of \$228,609 of cash and other working capital balances and common shares valued at \$300,000, was determined based on an estimate of fair market value of the assets owned by the business at the date of sale.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed on the date of acquisition. The Nation has not obtained a third-party valuation; thus, the resulting purchase price premium of \$388,139 has been expensed to operations during the year. The opening retained earnings of the corporation as of October 1, 2023 of \$324,905 has been adjusted to accumulated surplus.

	As at October 1, 2023
Current assets	\$ 271,686
Tangible capital assets	\$ 299,076
Total assets acquired	\$ 570,762
Current liabilities	\$ 48,159
Long-term debt	\$ -
Total liabilities assumed	\$ 48,159
Net assets acquired	\$ 522,603

21. Subsequent event

Subsequent to year-end, in September 2024, Mahihkan Bus Lines (note 6) provided public notice that it has ceased operations. As at March 31, 2024, the value of the Nation's investment in Mahihkan Bus Lines was in a deficit position of \$428,282 due to accumulated losses recorded using the modified equity method (up to and including results for the year-ended March 31, 2023 as the 2024 financial statements were not yet available).

At the time of closure, Mahihkan Bus Lines had outstanding debts to creditors, of which some were guaranteed by the Aseneskak Casino LP (another investment held by the Nation, see note 6). At the time of financial statement preparation, it remains undeterminable if the Nation has any further exposure to liabilities beyond the amount currently recognized in the financial statements related to the Mahihkan Bus Lines closure.

Wuskwi Sipihk First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<i>Land and land improvements</i>	<i>Buildings</i>	<i>Roads and bridges</i>	<i>Water and sewer</i>	<i>Equipment and computers</i>	<i>Vehicles</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	882,165	44,084,005	794,980	2,468,256	1,553,699	2,701,248	52,484,353
Acquisition of tangible capital assets	-	176,900	-	-	330,521	400,995	908,416
Disposal of tangible capital assets	-	(179,036)	-	-	-	-	(179,036)
Transfer from construction in progress upon completion	-	1,387,500	-	-	-	-	1,387,500
Assets acquired through purchase of Mafeking Services Ltd.	21,351	154,840	-	-	239,116	5,199	420,506
Balance, end of year	903,516	45,624,209	794,980	2,468,256	2,123,336	3,107,442	55,021,739
Accumulated amortization							
Balance, beginning of year	26,303	7,179,355	589,348	1,682,608	1,249,017	1,763,470	12,490,101
Annual amortization	815	1,680,641	19,875	61,640	105,910	336,829	2,205,710
Accumulated amortization on disposals	-	(86,636)	-	-	-	-	(86,636)
Accumulated amortization on assets acquired through purchase of Mafeking Services Ltd.	-	44,326	-	-	129,570	4,762	178,658
Balance, end of year	27,118	8,817,686	609,223	1,744,248	1,484,497	2,105,061	14,787,833
Net book value of tangible capital assets	876,398	36,806,523	185,757	724,008	638,839	1,002,381	40,233,906
2023 Net book value of tangible capital assets	855,862	36,932,797	205,630	785,650	276,532	937,781	39,994,252

Wuskwi Sipihk First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2024

	<i>Subtotal</i>	<i>Construction in progress</i>	<i>2024</i>	<i>2023</i>
Cost				
Balance, beginning of year	52,484,353	11,220,742	63,705,095	57,982,765
Acquisition of tangible capital assets	908,416	6,735,317	7,643,733	5,845,886
Disposal of tangible capital assets	(179,036)	-	(179,036)	(149,600)
Transfer from construction in progress upon completion	1,387,500	(1,387,500)	-	-
Assets acquired through purchase of Mafeking Services Ltd.	420,506	-	420,506	-
Balance, end of year	55,021,739	16,568,559	71,590,298	63,679,051
Accumulated amortization				
Balance, beginning of year	12,490,101	-	12,490,101	10,522,918
Annual amortization	2,205,710	-	2,205,710	2,090,738
Accumulated amortization on disposals	(86,636)	-	(86,636)	(149,600)
Accumulated amortization on assets acquired through purchase of Mafeking Services Ltd.	178,658	-	178,658	-
Balance, end of year	14,787,833	-	14,787,833	12,464,056
Net book value of tangible capital assets	40,233,906	16,568,559	56,802,465	51,214,995
2023 Net book value of tangible capital assets	39,994,252	11,220,743	51,214,995	

Wuskwi Sipihk First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2024

	2024	2023
Consolidated expenses by object		
Administration	23,140	32,178
Amortization	2,205,709	2,090,735
Bad debts	124,088	58,739
Bank charges and interest	32,036	97,324
COVID-19 expenses	-	265,339
Community donations	350,161	247,131
Consulting	707,989	452,411
Contracted services	134,230	190,245
Cost of goods sold	2,313,474	1,267,489
Debt retirement	-	3,371
Freight and delivery fee	17,080	3,116
Fuel	64,539	71,277
Funeral	-	12,208
Honouraria	398,578	285,274
Insurance	387,823	266,307
Interest on long-term debt	427,873	151,623
Meeting	267,754	33,207
Miscellaneous	95,454	92,035
Office supplies and expenses	211,232	109,081
Professional development	196,040	128,264
Professional fees	806,207	551,162
Program expense	3,344,575	1,490,114
Property tax	20,353	-
Rent	234,503	143,073
Repairs and maintenance	1,000,529	1,201,150
Salaries and benefits	4,801,372	3,785,596
Social assistance	944,523	1,042,692
Student expenses	579,003	443,222
Supplies	67,499	21,364
Telephone	125,630	91,011
Training	77,014	61,406
Travel	527,222	553,235
Tuition costs	622,504	471,886
User fees	25,157	15,499
Utilities	223,458	199,556
Vehicle	132,842	135,058
	21,489,591	16,063,378

Wuskwi Sipihk First Nation
Schedule 3 - Summary Schedule of Revenue and Expenses
For the year ended March 31, 2024
(Unaudited)

	Sch	ISC Revenue	Other Revenue	Total Revenues	Total Expenses	Transfers between programs	Schedule Surplus (Deficit)	Prior Year Schedule Surplus (Deficit)
Segment								
Band Government and General Operations (ISC)	4	7,826,089	815,688	8,641,777	7,892,601	14,000	763,176	2,269,379
Health Programs	5	-	6,883,554	6,883,554	6,315,038	(14,000)	554,516	(62,016)
Administration and Housing	6	-	2,754,360	2,754,360	3,063,465	-	(309,105)	190,470
Gas Bar	7	-	1,513,977	1,513,977	1,468,256	-	45,721	52,482
Mafeking Services Ltd.	8	-	1,354,306	1,354,306	1,271,207	-	83,099	-
Capital	9	1,738,861	364,489	2,103,350	986,768	-	1,116,582	920,372
New Country Motel	10	-	268,839	268,839	234,055	-	34,784	(964)
Treaty Land Entitlement (TLE) Settlement	11	-	70,587	70,587	70,587	-	-	-
Video Lotto Terminals	12	-	126,770	126,770	126,770	-	-	62,848
Own Source Education	13	-	100,164	100,164	60,844	-	39,320	(19,209)
Total		9,564,950	14,252,734	23,817,684	21,489,591	-	2,328,093	3,413,362

Wuskwi Sipihk First Nation
Band Government and General Operations (ISC)
Schedule 4 - Schedule of Revenue and Expenses

For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	7,826,089	9,203,531
User fees	18,000	6,000
Rental income	192,000	66,000
Adjustment of funding - tuition	(129,625)	-
Deferred revenue - prior year	2,818,258	2,383,508
Deferred revenue - current year	(2,259,499)	(2,818,258)
Other revenue	176,554	105,222
Drinking Water Settlement	-	500,000
	8,641,777	9,446,003
Expenses		
Amortization	354,406	279,040
Bad debts	25,000	26,790
Bank charges and interest	13,491	53,162
COVID-19 expenses	-	104,326
Community donations	187,572	162,763
Consulting	310,168	348,411
Debt retirement	-	3,371
Freight	40	30
Fuel	11,250	30,077
Funeral	-	12,208
Honouraria	242,742	200,017
Insurance	259,816	177,489
Interest on long-term debt	74,414	-
Meeting	225,564	16,617
Miscellaneous	-	1,976
Office supplies	88,593	38,297
Professional development	169,626	98,386
Professional fees	519,894	507,960
Program expense	961,544	367,167
Rent	16,793	26,410
Repairs and maintenance	175,412	767,796
Salaries and benefits	1,621,118	1,427,295
Social assistance	944,523	1,042,692
Student expenses	551,423	443,222
Supplies	15,346	19,801
Telephone	41,541	41,345
Training	32,373	42,481
Travel	249,900	280,214
Tuition	563,800	423,473
User fees	13,157	9,499
Utilities	140,631	159,890
Vehicle	82,464	64,419
	7,892,601	7,176,624
Surplus before other items	749,176	2,269,379
Transfers between programs	14,000	-
Surplus	763,176	2,269,379

Wuskwi Sipihk First Nation
Health Programs
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2024

	2024	2023
Revenue		
ISC - Health	6,747,191	3,587,086
Deferred revenue - prior year	614,933	319,311
Deferred revenue - current year	(480,957)	(614,933)
Other revenue	2,387	147,851
	6,883,554	3,439,315
Expenses		
Amortization	221,120	244,571
Bad debts	238	-
Bank charges and interest	3,926	26,288
COVID-19 expenses	-	106,885
Community donations	73,477	8,737
Consulting	100,000	30,000
Contracted services	134,230	190,245
Freight	6,000	-
Fuel	25,816	18,320
Honouraria	82,571	84,420
Insurance	54,108	21,777
Meeting	35,303	401
Miscellaneous	2,787	120
Office supplies	93,367	57,632
Professional development	26,414	29,878
Professional fees	144,055	12,408
Program expense	2,132,339	487,477
Rent	202,086	102,663
Repairs and maintenance	264,778	11,796
Salaries and benefits	2,355,969	1,790,314
Telephone	74,664	39,936
Training	36,771	4,974
Travel	168,827	140,337
User fees	12,000	6,000
Utilities	13,814	15,513
Vehicle	50,378	70,639
	6,315,038	3,501,331
Surplus (deficit) before other items	568,516	(62,016)
Transfers between programs	(14,000)	-
Surplus (deficit)	554,516	(62,016)

Wuskwi Sipihk First Nation
Administration and Housing
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2024

	2024	2023
Revenue		
Rental income - Social	152,695	152,695
Canada Mortgage and Housing Corporation	224,426	142,081
Loss from investment in Nation partnerships	(26,706)	(37,318)
Rental income	209,277	208,492
Manitoba Hydro	10,578	110,911
Province of Manitoba	25,000	-
Deferred revenue - prior year	1,935,783	2,119,102
Deferred revenue - current year	(2,118,047)	(1,935,783)
Other revenue	552,269	616,797
First Nations Land Management - Forestry	-	465,000
Government of Manitoba - Justice	-	380,765
Government of Manitoba - Crown Dues	1,949,838	-
	2,915,113	2,222,742
Expenses		
Administration	6,830	18,428
Amortization	575,365	492,756
Bad debts	98,850	31,496
Bank charges and interest	6,834	13,638
COVID-19 expenses	-	54,128
Community donations	89,112	71,631
Consulting	297,821	74,000
Fuel	27,473	22,880
Honouraria	23,115	837
Insurance	73,857	67,041
Interest on long-term debt	350,572	148,788
Meeting	6,887	16,189
Miscellaneous	59,514	81,644
Office supplies	2,948	7,250
Professional fees	125,953	11,238
Program expense	238,164	18,470
Property tax	3,737	-
Rent	3,000	2,000
Repairs and maintenance	525,749	363,130
Salaries and benefits	334,062	348,597
Student expenses	27,580	-
Supplies	14,759	1,563
Telephone	2,916	4,156
Training	7,870	13,951
Travel	89,615	110,556
Tuition	58,704	48,413
Utilities	12,178	9,492
	3,063,465	2,032,272
Surplus (deficit) before other items	(148,352)	190,470
Other income (expense)		
Gain on disposal of capital assets	227,386	-
Purchase premium - Mafeking Services Ltd.	(388,139)	-
	(160,753)	-
Surplus (deficit)	(309,105)	190,470

Wuskwi Sipihk First Nation
Gas Bar
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2024

	2024	2023
Revenue		
Confectionary sales	434,169	492,283
Fuel sales	671,079	785,761
Tobacco sales	228,026	209,417
ATM (net of fees)	(3,884)	5,820
Other	57,681	45,877
Rental income	9,000	24,000
	1,396,071	1,563,158
Cost of goods sold		
Tobacco	214,697	116,003
Fuel	637,463	743,095
Confectionary and grocery	303,781	416,201
Other	64,828	(7,810)
	1,220,769	1,267,489
Expenses		
Amortization	29,022	31,990
Bad debts	-	453
Bank charges and interest	1,108	675
Community donations	-	4,000
Freight	3,974	3,086
Interest on long-term debt	-	264
Miscellaneous	10,116	5,295
Office supplies	6,141	5,902
Professional fees	-	6,038
Repairs and maintenance	737	58,309
Salaries and benefits	164,136	219,390
Telephone	4,887	4,338
Travel	11,624	12,897
Utilities	15,742	9,237
	247,487	361,874
Deficit before other items	(72,185)	(66,205)
Other income		
Fuel tax rebates	43,520	50,913
Tobacco tax rebates	74,386	67,774
	117,906	118,687
Surplus	45,721	52,482

Wuskwi Sipihk First Nation
Mafeking Services Ltd.
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2024

	2024	2023
Revenue		
Confectionary sales	720,841	-
Fuel sales	555,231	-
Lottery sales	68,722	-
Other	8,996	-
Interest income	516	-
	1,354,306	-
Cost of goods sold		
Fuel	512,598	-
Confectionary and grocery	464,541	-
Other	115,566	-
	1,092,705	-
Expenses		
Amortization of other assets	3,566	-
Bank charges and interest	6,600	-
Freight and delivery fee	7,066	-
Insurance	42	-
Miscellaneous	7,174	-
Office supplies	5,504	-
Professional fees	5,787	-
Property tax	2,607	-
Repairs and maintenance	9,711	-
Salaries and benefits	117,712	-
Supplies	3,868	-
Telephone	408	-
Travel	1,520	-
Utilities	6,937	-
	178,502	-
Surplus	83,099	-

Wuskwi Sipihk First Nation
Capital
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	1,738,861	1,391,694
Deferred revenue - prior year	527,425	1,054,362
Deferred revenue - current year	(162,936)	(527,425)
	2,103,350	1,918,631
Expenses		
Amortization	986,592	998,140
Repairs and maintenance	176	119
	986,768	998,259
Surplus	1,116,582	920,372

Wuskwi Sipihk First Nation
New Country Motel
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2024

	2024	2023
Revenue	268,839	8,371
Expenses		
Amortization	-	8,600
Office supplies	8,048	-
Professional fees	4,968	-
Property tax	14,009	-
Rent	624	-
Repairs and maintenance	23,966	-
Salaries and benefits	147,429	-
Supplies	7,767	-
Utilities	27,244	735
	234,055	9,335
Surplus (deficit)	34,784	(964)

Wuskwi Sipihk First Nation
Treaty Land Entitlement (TLE) Settlement
Schedule 11 - Schedule of Revenue and Expenses

For the year ended March 31, 2024

	2024	2023
Revenue		
Northern Affairs Canada (TLE)	-	1,000,000
Deferred revenue - prior year	356,541	-
Deferred revenue - current year	(285,954)	(356,541)
	70,587	643,459
Expenses		
Administration	234	667
Bank charges and interest	64	3,561
Honouraria	50,150	-
Miscellaneous	-	3,000
Professional fees	1,875	10,000
Program expense	12,528	617,000
Travel	5,736	9,231
	70,587	643,459
Surplus (deficit)	-	-

Wuskwi Sipihk First Nation
Video Lotto Terminals
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2024

	2024	2023
Revenue		
Gaming revenue	126,770	116,374
Expenses		
Administration	16,076	13,083
Amortization	16,429	16,429
Interest on long-term debt	2,887	2,571
Office supplies and expenses	6,631	-
Professional fees	3,675	3,518
Rent	12,000	12,000
Salaries and benefits	60,946	-
Telephone	1,214	1,236
Utilities	6,912	4,689
	126,770	53,526
Surplus (deficit)	-	62,848

Wuskwi Sipihk First Nation
Own Source Education
Schedule 13 - Schedule of Revenue and Expenses
For the year ended March 31, 2024

	2024	2023
Revenue		
Rental income	15,257	-
Other revenue	84,907	-
	100,164	-
Expenses		
Amortization	19,209	19,209
Bank charges and interest	13	-
Miscellaneous	15,863	-
Supplies	25,759	-
	60,844	19,209
Surplus (deficit)	39,320	(19,209)