



Poundmaker Cree Nation
Consolidated Financial Statements
March 31, 2023



Poundmaker Cree Nation

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For the year ended March 31, 2023

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Management's Responsibility



To the Members of Poundmaker Cree Nation:

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 consolidated financial statements.

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditor. Chief and Council is also responsible for appointing the Nation's external auditor.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members of Poundmaker Cree Nation; their report follows. The external auditor has full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

December 20, 2023

Signed by: Juleen Albert

Management

Independent Auditor's Report

To the Members of Poundmaker Cree Nation:

Qualified Opinion

We have audited the consolidated financial statements of Poundmaker Cree Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows, and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis of Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2023, and the results of its consolidated operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

During our examination of expenses, we were unable to obtain sufficient and appropriate audit evidence to satisfy ourselves with regards to the accuracy, occurrence and classification of expenses. Consequently, we are unable to determine whether adjustment to the amounts reported as expenses are necessary in the consolidated statement of operations and accumulated surplus, schedule of consolidated expenses by object, and the schedules of segment revenues and expenses.

In addition, for the 2023 year end, Poundmaker Cree Nation did not prepare a budget on a timely basis nor was it approved by the Council of the Nation. In addition the budget did not include all the components of the Nation's operations. Therefore, the Nation's consolidated statements of operations and accumulated surplus, and net debt do not present a comparison of the results for the 2023 year end with an appropriately prepared and approved budget.

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 Consolidated Financial Statements section of our report. We are independent of the 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.

Emphasis of Matter

We draw attention to Notes 13 and 15 to the consolidated financial statements which describe that Poundmaker Cree Nation entered into a Treaty Benefits Claim against the Government of Canada for damages sustained by the Nation. The Nation has obtained a loan to fund the costs of negotiations and has taken insurance to cover the repayment of the loan if it is in excess of settlement proceeds. Our opinion is not modified in respect of this matter.

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

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

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

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

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Independent Auditor's Report (continued from previous page)

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 consolidated 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 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 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 consolidated 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 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saskatoon, Saskatchewan

December 20, 2023

MNP LLP

Chartered Professional Accountants

MNP



Poundmaker Cree Nation
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022 <i>(As Restated, Note 25)</i>
Financial assets		
Current		
Cash	456,985	-
Restricted cash <i>(Note 4)</i>	1,292,569	1,544,998
Accounts receivable <i>(Note 5)</i>	1,719,098	3,544,948
Cattle inventory	215,060	180,800
Due from related parties <i>(Note 6)</i>	231,334	149,671
	3,915,046	5,420,417
Restricted cash <i>(Note 4)</i>	349,774	331,164
Investment in Nation business entities <i>(Note 7)</i>	663,390	475,866
Funds held in Ottawa Trust Fund <i>(Note 8)</i>	92,281	64,830
Total financial assets	5,020,491	6,292,277



Poundmaker Cree Nation

Consolidated Statement of Financial Position

As at March 31, 2023

	2023	2022 (As Restated, Note 25)
Liabilities		
Current		
Bank indebtedness (Note 9)	-	117,416
Accounts payable and accruals	3,073,496	1,923,435
Deferred revenue (Note 10)	7,730,193	5,028,651
Due to related parties (Note 6)	34,767	53,885
Treaty Benefits Claim loan (Note 11)	350,000	-
Current portion of long-term debt (Note 13)	2,027,028	3,964,299
Current portion of capital lease obligations (Note 14)	53,950	66,470
	13,269,434	11,154,156
Term loans subject to refinancing (Note 12)	4,600,000	-
Subtotal of current liabilities and term loans	17,869,434	11,154,156
Long-term debt (Note 13)	4,494,566	4,540,724
Capital lease obligations (Note 14)	147,754	201,704
Total liabilities	22,511,754	15,896,584
Net debt	(17,491,263)	(9,604,307)
Contingent asset (Note 15)		
Contingent liabilities (Note 16)		
Non-financial assets		
Tangible capital assets (Note 17)	40,560,147	31,579,310
Prepaid expenses	98,250	-
Total non-financial assets	40,658,397	31,579,310
Accumulated surplus (Note 18)	23,167,134	21,975,003

Approved on behalf of Chief and Council

	Chief
	Councillor
	Councillor



Poundmaker Cree Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2023

	2023 Budget (Note 20)	2023 Actual	2022 Actual (As Restated, Note 25)
Revenues			
Indigenous Services Canada (Note 23)	18,750,321	17,490,712	14,952,531
First Nations Trust	-	670,879	304,225
Miscellaneous	15,234	625,481	666,760
Canada Mortgage and Housing Corporation	740,471	541,894	155,101
Government of Canada - Class Action Settlement	-	500,000	-
Government of Canada	-	285,019	26,669
Lease	-	226,392	270,957
Earnings from investment in Nation business entities (Note 7)	(5,000)	187,524	99,596
Rental	-	172,350	171,630
Annual Income Poundmaker Legacy Trust	-	132,061	135,517
Ottawa Trust Fund	-	102,451	84,261
Retail sales - meat shop	-	97,443	163,783
Battle River Treaty 6 Health Centre Inc.	-	85,675	79,373
Grants and proposal funding	66,932	34,287	29,180
Border Tribal Council	-	-	65,000
Federation of Sovereign Indigenous Nations	-	-	25,500
	19,567,958	21,152,168	17,230,083
Program expenses			
Administration	662,698	1,914,595	2,053,929
Education	6,353,389	7,082,701	6,091,665
Social Development	2,137,342	2,815,471	2,050,637
Housing	305,637	1,133,212	1,354,204
Operations and Maintenance	349,524	1,622,186	1,444,825
Capital	-	158,413	158,988
Own Source	-	2,912,139	2,660,811
Other	830,829	2,443,604	1,592,369
Total expenses	10,639,419	20,082,321	17,407,428
Surplus (deficit) before other items	8,928,539	1,069,847	(177,345)
Other items			
Gain (loss) on disposal of tangible capital assets	-	122,284	(24,123)
Treaty Salaries Settlement	-	-	3,044,558
Treaty Annuities Settlement overpayment recovery	-	-	(172,834)
Treaty Salaries legal expenses	-	-	(529,962)
	-	122,284	2,317,639
Surplus	8,928,539	1,192,131	2,140,294
Accumulated surplus, beginning of year, as restated (Note 25)	21,975,003	21,975,003	19,834,709
Accumulated surplus, end of year	30,903,542	23,167,134	21,975,003

The accompanying notes are an integral part of these consolidated financial statements



Poundmaker Cree Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2023

	2023 <i>Budget</i> <i>(Note 20)</i>	2023 <i>Actual</i>	<i>2022</i> <i>Actual</i> <i>(As Restated,</i> <i>Note 25)</i>
Surplus	8,928,539	1,192,131	2,140,294
Purchases of tangible capital assets	(3,769,500)	(9,973,590)	(738,594)
Amortization of tangible capital assets	-	1,113,837	1,100,668
Use (acquisition) of prepaid expenses	-	(98,250)	5,000
Loss (gain) on disposal of tangible capital assets	-	(122,284)	24,123
Proceeds on disposal of tangible capital assets	-	1,200	17,000
Assets acquired through capital lease	-	-	(80,322)
	(3,769,500)	(9,079,087)	327,875
Decrease (increase) in net debt	5,159,039	(7,886,956)	2,468,169
Net debt, beginning of year	(9,604,307)	(9,604,307)	(12,072,476)
Net debt, end of year	(4,445,268)	(17,491,263)	(9,604,307)

The accompanying notes are an integral part of these consolidated financial statements



Poundmaker Cree Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2023

	2023	2022 (As Restated, Note 25)
Cash provided by (used for) the following activities		
Operating activities		
Surplus	1,192,131	2,140,294
Non-cash items		
Amortization of tangible capital assets	1,113,837	1,100,668
Loss (gain) on disposal of tangible capital assets	(122,284)	24,123
Earnings from investment in Nation business entities (Note 7)	(187,524)	(99,596)
	1,996,160	3,165,489
Changes in working capital accounts		
Accounts receivable	1,825,850	(3,155,482)
Cattle inventory	(34,260)	(10,891)
Accounts payable and accruals	1,150,061	(1,493,772)
Deferred revenue	2,701,542	2,386,697
Use (acquisition) of prepaid expenses	(98,250)	5,000
Treaty Benefits Claim loan	350,000	-
	7,891,103	897,041
Financing activities		
Advances of long-term debt	5,173,819	2,470,451
Repayment of long-term debt	(2,557,248)	(1,431,702)
Repayment of capital lease obligations	(66,470)	(56,897)
Due to/from related parties (net)	(100,781)	(236,339)
	2,449,320	745,513
Capital activities		
Purchases of tangible capital assets	(9,973,590)	(738,594)
Proceeds on disposal of tangible capital assets	1,200	17,000
	(9,972,390)	(721,594)
Investing activities		
Decrease (increase) in restricted cash	233,819	(852,702)
Decrease (increase) in funds held in Ottawa Trust Fund	(27,451)	16,405
	206,368	(836,297)
Increase in cash resources	574,401	84,663
Cash deficiency, beginning of year	(117,416)	(202,079)
Cash resources (deficiency), end of year	456,985	(117,416)
Supplementary cash flow information		
Interest paid	492,758	361,206



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

1. Operations

The Poundmaker Cree Nation (the "Nation") is located in Treaty 6 Territory, and provides various services to its Members. Poundmaker Cree Nation includes all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Change in accounting policy

Financial instruments

Effective April 1, 2022, the Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. Upon adopting PS 3450, the Nation is also required to adopt PS 1201 *Financial Statement Presentation*, and PS 3041 *Portfolio Investments*. The new Sections are applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

Asset retirement obligations

Effective April 1, 2022, the Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements.

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 3.

Pursuant to the recommendations, the change was applied prospectively and prior periods have not been restated. As such, the Nation recognized asset retirement obligations for those arising on or after April 1, 2022, as well as for those arising prior to April 1, 2022 but for which an obligation was not previously recognized.

The cumulative effect in the current year of adopting this new standard is \$nil and no asbestos has been identified in the Nation's buildings, nor have any other assets been identified for which there would be an asset retirement obligation.

3. Significant accounting policies

These consolidated 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 - consolidated

The consolidated financial statements consolidate the financial activities of all entities and departments comprising the Nation's reporting entity.

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

- Poundmaker Cree Nation
- Poundmaker Cree Nation CMHC Housing
- Poundmaker Royalty Corporation
- Poundmaker Treaty Land Entitlement Trust
- West Arrow Development Corporation

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.

The Poundmaker Legacy Trust has not been consolidated as the Chief and Council do not control the Trust.



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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

Business entities, owned or controlled by the Nation but not dependent on the Nation for their continuing operations, are included in the consolidated 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 Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and contributions and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Poundmaker Economic Development Holdings Limited Partnership
- Kanatinak Store 2 Inc.
- 101119042 Saskatchewan Ltd.

Basis of presentation

Sources of revenues 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 equivalents 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. Restricted cash consists of CMHC Replacement Reserve and capital project bank accounts.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the Nation by the Government of Canada consist of:

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

Revenues from trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Land purchased is recorded at the purchase price. The Nation holds original reserve land and mineral rights on the land. The original reserve land and mineral rights are not recognized in the Nation's consolidated financial statements.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

3. Significant accounting policies (Continued from previous page)

Amortization

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Land improvements	30 years
Buildings	25 years
CMHC housing	25 years
Vehicles and equipment	7-10 years
Computer equipment	5 years
Roads	40 years
Infrastructure	40 years

Assets under construction are not amortized until they are put into use. Land is not amortized. In the year of acquisition assets are amortized at 50% of the normal rate.

Long-lived assets

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

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.

Inventory

Cattle inventory is recorded at fair value less costs to sell.

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 consolidated financial statement date when there is a legal obligation for the 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, 2023. 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 Nation reviews the carrying amount of the liability. The 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 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.



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2023.

At each financial reporting date, the Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The 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. There are no known liabilities at March 31, 2023.

Net debt

The Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the 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

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Government Transfers

The 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 Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenues

Rental and lease revenue is recognized over the rental term. Miscellaneous and retail sales are recognized as they become receivable or when the goods or services have been provided. Annual Income from the Poundmaker Legacy Trust is recognized when it becomes payable to the Nation under the terms of the Poundmaker Legacy Trust Agreement.



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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

Financial instruments

The Nation recognizes its financial instruments when the 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 Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The Nation has not made such an election during the year. All financial assets and liabilities are measured at amortized cost.

The 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. All financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

All financial assets are tested annually for impairment. Management considers recent collection experience for receivables, such as delinquency in payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated 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.

Measurement uncertainty

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is recorded based on management's best estimate of costs to be spent.

Segments

The Nation conducts its business through 8 reportable segments (Note 21). These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenues 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.

Other economic interests

The Nation is a member of several other entities. The Nation does not share in the profit or loss of these entities. As a result these entities have not been included in these consolidated financial statements.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

4. Restricted cash

	2023	2022
Current:		
Capital projects	1,292,569	1,544,998
Long-term:		
CMHC Replacement Reserve	349,774	331,164
	1,642,343	1,876,162

5. Accounts receivable

	2023	2022 <i>(As Restated, Note 25)</i>
Indigenous Services Canada	1,064,277	368,977
CMHC	370,291	11,222
Members	345,610	90,629
Other	57,094	67,249
Government of Canada - Treaty Salaries Settlement proceeds	-	3,044,558
	1,837,272	3,582,635
Less: Allowance for doubtful accounts	118,174	37,687
	1,719,098	3,544,948

6. Due from (to) related parties

	2023	2022
Due from 101119042 Saskatchewan Ltd.	231,334	149,671
Due to Kanatinak Store 2 Inc.	(34,767)	(53,885)

The amounts due to (from) related parties are non-interest bearing, unsecured, and have no terms of repayment. Kanatinak Store 2 Inc. and 101119042 Saskatchewan Ltd. are owned by the Nation.



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

7. Investment in Nation business entities

The Nation has investments in the following entities:

	March 31, 2022	Share of earnings	March 31, 2023
Kanatinak Store 2 Inc.	578,701	142,015	720,716
101119042 Saskatchewan Ltd.	(102,935)	45,509	(57,426)
Poundmaker Economic Development Holdings Limited Partnership	100	-	100
	475,866	187,524	663,390

Summary financial information for each Nation business entity, accounted for using the modified equity method, is as follows:

	<i>Kanatinak Store 2 Inc. As at March 31, 2023</i>	<i>101119042 Saskatchewan Ltd. As at March 31, 2023</i>	<i>Poundmaker Economic Development Holdings Limited Partnership As at March 31, 2023</i>
Assets			
Current	444,900	415,493	100
Long-term	531,465	1,266,053	-
Total assets	976,365	1,681,546	100
Liabilities			
Current	255,649	367,296	-
Long-term	-	1,371,676	-
Total liabilities	255,649	1,738,972	-
Net assets	720,716	(57,426)	100
Total revenues	3,968,790	936,047	-
Total expenses	3,826,775	890,538	-
Net income	142,015	45,509	-

Principal repayments on long-term debt and leases of the Nation's business entities in each of the next five years assuming long-term debt subject to refinancing is renewed at same or similar term, are estimated as follows:

	2024	2025	2026	2027	2028	Thereafter	Total
101119042 Saskatchewan Ltd.	203,695	212,310	209,125	223,790	229,079	293,677	1,371,676



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

7. Investment in Nation business entities (Continued from previous page)

The Nation has guaranteed the following debt and leases on behalf of its Nation business entities:

101119042 Saskatchewan Ltd. has the following long-term debt and leases for which the Nation has issued a guarantee for repayment:

- Innovation Credit Union loan of \$854,954 bearing interest at 5.50% per annum, repayable in blended monthly payments of \$11,938, maturity date September 2030.
- John Deere Financial lease of \$332,178 bearing interest at 8.25% per annum, repayable in blended monthly payments of \$6,942, maturity date February 2028.
- John Deere Financial lease of \$150,245 bearing interest at 7.30% per annum, repayment in blended monthly payments of \$2,956, maturity date April 2028.
- The debt and leases are secured by equipment.

Poundmaker Economic Development Holdings Limited Partnership was formed with a partnership agreement dated March 1, 2017. The Nation obtained 100% ownership with an initial capital investment of \$100. There was no activity in the Partnership for the year ending March 31, 2023.

8. Funds held in Ottawa Trust Fund

Capital and revenue trust monies are transferred to the Nation on the authorization of Chief and Council, and with the consent of the Minister of Indigenous Services Canada.

	2023	2022
Capital Trust		
Balance, beginning of year	41,733	64,766
Royalties	43,760	36,967
Withdrawals	-	(60,000)
Balance, end of year	85,493	41,733
Revenue Trust		
Balance, beginning of year	23,097	16,469
Lease and interest revenues	58,691	47,294
Withdrawals	(75,000)	(40,666)
Balance, end of year	6,788	23,097
	92,281	64,830

9. Bank indebtedness

The Nation has an operating line of credit of \$325,000 with interest at Royal Bank Prime plus 4.05%. At March 31, 2023, \$nil (2022 - \$264,824) has been drawn. The operating line is secured by a general security agreement and a Band Council Resolution. The difference between bank indebtedness and the line of credit is the result of outstanding cheques and other accounts with positive balances.



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

10. Deferred revenue

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

	<i>Balance 2022 (As Restated, Note 25)</i>	<i>Contributions received</i>	<i>Contributions utilized</i>	<i>Balance 2023</i>
Land leases	239,544	384,196	226,392	397,348
ISC - School Assessment	465,637	900,000	-	1,365,637
ISC - Lagoon Upgrades	224,276	760,000	54,800	929,476
ISC - Basic Needs	797,675	1,784,681	1,848,786	733,570
ISC - Sewage Pump Station Upgrades	1,363,199	1,300,000	1,975,117	688,082
ISC - Roads and Bridges	-	1,128,039	501,064	626,975
ISC - Cost Capacity Building FN Child and Family	-	550,000	104,988	445,012
ISC - Immediate Needs Renovation	-	722,385	340,491	381,894
ISC - Water Systems	183,812	353,396	265,220	271,988
ISC - Meat Shop Processing Equipment	-	249,900	-	249,900
ISC - Residential School Missing Children	57,530	313,500	126,974	244,056
ISC - Horse Based Healing Camps	56,276	307,560	184,977	178,859
ISC - Transfer Station	181,310	-	-	181,310
ISC - Case Management Capacity	129,490	99,984	98,973	130,501
ISC - Services Delivery - Infrastructure	57,161	46,984	8,631	95,514
ISC - Income Assistance, Employment & Training	109,522	154,610	171,490	92,642
ISC - Waste Water Systems	44,663	140,544	95,020	90,187
ISC - Medical Transportation	50,565	215,000	207,685	57,880
ISC - Water Treatment Plant Upgrades	57,158	-	-	57,158
ISC - JP - Medical Transportation	-	56,945	4,690	52,255
ISC - Covid-19 Pandemic Health	72,848	-	25,243	47,605
ISC - Skills Link	39,313	60,828	53,495	46,646
ISC - Special Needs	-	155,441	114,051	41,390
ISC - Discussion Tables	14,400	322,447	295,664	41,183
ISC - Fire Protection	-	45,510	4,795	40,715
ISC - JP Initiative - Mental Wellness Other	116,113	21,365	102,937	34,541
ISC - Information Management & Technology	31,979	-	-	31,979
ISC - Lands	-	30,000	-	30,000
ISC - Provincial/Private Student Support	4,569	49,316	34,683	19,202
ISC - FN School 2nd Level Services	13,101	451,836	446,273	18,664
ISC - JP Initiative - Music & Holistic Wellness	4,988	182,400	172,118	15,270
ISC - Post Secondary	177,349	822,360	985,337	14,372
ISC - Prov School Targeted HCSE	-	50,766	36,951	13,815
ISC - JP Initiative - Mental Health	53,938	140,689	183,362	11,265
ISC - JP - Life Skills Coach	-	46,200	34,960	11,240
ISC - JP Social Request	-	25,000	15,940	9,060
ISC - Institutional Care Co Payment	-	32,272	23,499	8,773
ISC - Summer Work Experience	8,898	27,328	27,551	8,675
ISC - Education Partnership Program	58,197	415,380	465,724	7,853
ISC - Flood Recovery	25,041	-	20,340	4,701
ISC - Awareness Raising	3,000	-	-	3,000
ISC - FN School Protect	98,137	57,170	155,307	-
ISC - Traditional Survival Skills	67,684	207,258	274,942	-
ISC - Special Education - High Cost	59,360	-	59,360	-
ISC - Governance Capacity Development	36,197	-	36,197	-
ISC - Solid Waste	29,015	171,494	200,509	-



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

10. Deferred revenue *(Continued from previous page)*

ISC - Client Support - Pre-employment	27,030	206,593	233,623	-
ISC - Regional Implementation	25,264	197,784	223,048	-
ISC - Instructional Services	22,361	3,215,354	3,237,715	-
ISC - ISC Education COVID-19	14,753	-	14,753	-
ISC - JP Initiative - Occupational Therapy Service	6,501	-	6,501	-
ISC - Education Covid-19	797	-	797	-
	5,028,651	16,402,515	13,700,973	7,730,193

11. Treaty Benefits Claim loan

During the year, legal counsel for the Treaty Benefits Claim (Note 15) provided the Nation with a \$350,000 loan. The \$350,000 is repayable upon settlement of the Treaty Benefits Claim. The amount bears no interest and is unsecured.

12. Term loans subject to refinancing

The term loan subject to refinancing was obtained from Royal Bank of Canada (RBC) to finance the purchase of land in Lloydminster, Saskatchewan. The loan bears interest at RBC prime plus 2.5%. Proceeds from the Treaty Benefits Claim settlement will be used to repay the loan, subject to member ratification, provided a settlement is received within one year from the date of the loan. If the Claim is not settled by then, repayment will commence based on a 288 month amortization period. In the interim, monthly interest only payments are being made on the loan.

13. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The Nation receives a subsidy from Canada Mortgage and Housing Corporation (CMHC) to assist with the payment of principal and interest on the following loans:

Phase	<u>Monthly payment including interest</u>	<u>Interest rate</u>	<u>Renewal Date</u>	<u>2023</u>	<u>2022</u>
I	1,614	0.98%	1-Apr-26	58,803	77,496
II	2,498	4.73%	1-Jun-23	119,360	148,818
III	1,244	1.86%	1-Apr-24	85,802	99,004
IV	1,243	0.79%	1-Jan-26	103,878	117,912
V	6,078	1.87%	1-May-24	375,538	440,816
VI	2,558	3.75%	1-Jul-27	340,541	-
				1,083,922	884,046

RBC consolidation term loan, repayable in quarterly instalments of \$113,599 including interest at Royal Bank prime plus 2.5%, maturing March 1, 2024, secured by preferred security interest in property and First Nations Trust and ISC funding.

2,157,885 2,441,000

RBC Treaty Benefit term loan, with interest at Royal Bank prime plus .25%, repayable the earlier of: receipt of funds pursuant to a settlement, judgment or order relating to the Claim, secured by AmTrust Europe Limited insurance policy, surety bond and assignment of all proceeds payable under the insurance policy (see Note 15).

1,455,972 1,381,240

RBC term loan, repayable in monthly instalments of \$3,152 plus interest at Royal Bank prime plus 1.5%, maturing July 18, 2023, secured by a Poundmaker Legacy Trust guarantee and a general security agreement.

806,921 844,746



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

CMHC Phase VIII loan advances payable upon completion of Phase VIII housing.	279,926	-
RBC term loan, repayable in annual instalments of \$14,815 including interest at 4.90%, maturing April 5, 2023, secured by a Poundmaker Legacy Trust guarantee and a general security agreement.	197,241	204,143
RBC term loan, repayable in monthly instalments of \$1,883 including interest at 7.16%, maturing March 1, 2024, secured by Band Council Resolution.	190,602	201,791
John Deere Equipment Loan, repayable in semi-annual instalments of \$19,610 including interest at 4.5%, maturing July 7, 2027, secured by the equipment with a net book value of \$206,400.	158,690	-
CMHC Phase VII loan advances payable upon completion of Phase VII housing.	97,500	97,500
RBC term Loan, repayable in annual instalments of \$42,833 including interest at 5.83%, maturing May 26, 2023, secured by Band Council Resolution.	80,216	117,782
RBC loan, repayable in monthly instalments of \$1,196 including interest at 6.99%, maturing February 2, 2024, secured by a vehicle with a net book value of \$42,210.	12,719	25,675
RBC Treaty Salaries term loan. Repaid by Treaty Salaries settlement proceeds.	-	2,000,000
CMHC Phase VI loan advances.	-	307,100
	6,521,594	8,505,023
Less: current portion	2,027,028	3,964,299
	4,494,566	4,540,724

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

2024	2,027,028
2025	588,674
2026	590,579
2027	604,980
2028	607,839

The Treaty Benefit term loan is recorded as part of the current portion for 2024 (Note 15).

Long-term debt is subject to certain financial covenants with respect to timely submission of financial statements as well as various other restrictions and general covenants.



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

14. Capital lease obligations

	2023	2022
CWB National Leasing lease payable in monthly instalments of \$2,655 including interest at 7.75% per annum. Due October 2026, with vehicles having a net book value of \$119,914 pledged as collateral.	100,691	123,768
Ford Credit of Canada lease payable in monthly instalments of \$1,527 including interest at 5.24% per annum. Due July 23, 2026, with a vehicle having a net book value of \$68,274 pledged as collateral.	56,093	71,044
Ford Credit of Canada lease payable in monthly instalments of \$1,018 including interest at 6.24% per annum. Due January 1, 2027, with a vehicle having a net book value of \$45,770 pledged as collateral.	41,563	50,871
John Deere lease, repayable in monthly instalments of \$1,697 including interest at 8.89%, maturing May 25, 2023, secured by equipment with a net book value of \$45,045 pledged as collateral.	3,357	22,491
	201,704	268,174
Less: current portion	53,950	66,470
	147,754	201,704

Minimum lease payments related to the obligations under capital lease are as follows:

2024	65,798
2025	62,404
2026	62,404
2027	36,623
	<u>227,229</u>
Less: imputed interest	25,525
	<u>201,704</u>

15. Contingent asset

In 2018, the Nation initiated a Treaty Benefits Claim against the Government of Canada. The Nation has obtained a loan to finance the costs of negotiating this Claim. Insurance has been obtained to mitigate the risk that settlement proceeds may be less than the related loan outstanding at such time the Claim is resolved.

As of March 31, 2023, total expenses incurred for the Treaty Benefits Claim of \$1,455,972 (2022 - \$1,381,240) have been incurred and available financing drawn (Note 13). The Nation anticipates the loan will be paid from settlement proceeds. When the Claim is finalized or the insurance proceeds are paid the amounts will be recognized in revenue.



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

16. Contingent liabilities

Funding

These consolidated financial statements are subject to review by the Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.

Loan Guarantee

The Nation has guaranteed the long-term debt of 101119042 Saskatchewan Ltd. (Note 7).

Legal Proceedings

The Nation has been named as defendant in various legal proceedings. Liability, if any, can not be determined at this time nor can the ultimate outcome of these proceedings be determined. If any liability should result it will be recorded in the period it is determined.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

17. Tangible capital assets

For the year ended March 31, 2023

	Cost					Accumulated Amortization					2023 Net book value
	Opening balance	Additions	Disposals	Reclass of assets	Ending balance	Opening balance	Current amortization	Amortization on disposals	Reclass of assets	Ending balance	
Land	6,616,781	4,800,000	-	-	11,416,781	-	-	-	-	-	11,416,781
Land Improvements	958,506	30,000	-	-	988,506	281,358	32,266	-	-	313,624	674,882
Buildings	18,875,530	667,630	-	(299,000)	19,244,160	12,284,528	371,363	-	(17,940)	12,637,951	6,606,209
CMHC Housing	4,418,476	17,576	-	372,823	4,808,875	2,977,392	184,547	-	17,940	3,179,879	1,628,996
Vehicles and Equipment	1,536,330	386,705	(55,440)	-	1,867,595	863,038	126,015	(176,524)	-	812,529	1,055,066
Computer Equipment	136,601	-	-	-	136,601	136,601	-	-	-	136,601	-
Roads	3,392,892	-	-	-	3,392,892	1,452,838	84,822	-	-	1,537,660	1,855,232
Infrastructure	15,730,998	20,340	-	-	15,751,338	2,567,418	314,824	-	-	2,882,242	12,869,096
Assets Under Construction	476,369	4,051,339	-	(73,823)	4,453,885	-	-	-	-	-	4,453,885
	52,142,483	9,973,590	(55,440)	-	62,060,633	20,563,173	1,113,837	(176,524)	-	21,500,486	40,560,147

For the year ended March 31, 2022

	Cost					Accumulated Amortization					2022 Net book value
	Opening balance	Additions	Disposals	Reclass of assets	Ending balance	Opening balance	Current amortization	Amortization on disposals	Reporting change	Ending balance	
Land	6,616,781	-	-	-	6,616,781	-	-	-	-	-	6,616,781
Land Improvements	958,506	-	-	-	958,506	249,440	31,918	-	-	281,358	677,148
Buildings	18,289,779	-	-	585,751	18,875,530	11,895,269	389,259	-	-	12,284,528	6,591,002
CMHC Housing	4,418,476	-	-	-	4,418,476	2,800,653	176,739	-	-	2,977,392	1,441,084
Vehicles and Equipment	1,380,185	204,525	(48,380)	-	1,536,330	764,242	106,053	(7,257)	-	863,038	673,292
Computer Equipment	136,601	-	-	-	136,601	136,601	-	-	-	136,601	-
Roads	3,392,892	-	-	-	3,392,892	1,368,016	84,822	-	-	1,452,838	1,940,054
Infrastructure	15,456,696	274,302	-	-	15,730,998	2,255,541	311,877	-	-	2,567,418	13,163,580
Assets Under Construction	722,031	340,089	-	(585,751)	476,369	-	-	-	-	-	476,369
	51,371,947	818,916	(48,380)	-	52,142,483	19,469,762	1,100,668	(7,257)	-	20,563,173	31,579,310

Tangible capital assets includes equipment under capital lease with a gross cost of \$383,135 (2022 - \$383,135) and accumulated amortization of \$104,132 (2022 - \$65,818). Included in additions in the current year is \$nil (2022 - \$80,322) under capital lease.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

18. Accumulated operating surplus

Accumulated operating surplus consists of the following:

	2023	2022 <i>(As Restated, Note 25)</i>
Operating	(9,143,195)	(5,569,120)
Tangible capital assets	32,120,738	27,802,613
Investments	663,390	475,866
CMHC operating reserve	(191,131)	(138,354)
CMHC replacement reserve	1,081,023	720,408
Ottawa Trust Fund	92,281	64,830
Litigation financing	(1,455,972)	(1,381,240)
	23,167,134	21,975,003

19. Funds and reserves

The Poundmaker Cree Nation maintains the following funds and reserves as part of its operations:

- Operating Fund reports on the general activities of the Nation's administration.
- Tangible Capital Asset Fund reports on the tangible capital assets and projects of the Nation.
- Investment Fund reports on investments of the Nation.
- CMHC Operating Reserve is required as part of the Nation's CMHC Housing Program, which receives funds pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under the Program.
- CMHC Replacement Reserve is required as part of the Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses.
- Ottawa Trust Funds reports on trust moneys owned by the Nation and held by the Government of Canada.
- Litigation Financing Fund reports on the activities of the Nation's litigation for which the Nation is seeking damages.



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

20. Budget information

The budget information was prepared for individual programs and has been consolidated in accordance with Canadian public sector accounting standards. In preparation of the budget, the Nation budgeted for \$3,769,500 of tangible capital assets as expenses which was adjusted to be in accordance with Canadian public sector accounting standards.

	Prepared Budget	Adjustments	Budget per consolidated financial statements
Consolidated Statement of Operations and Accumulated Surplus			
Revenues	19,567,958	-	19,567,958
Expenses	14,408,919	(3,769,500)	10,639,419
Surplus	5,159,039	3,769,500	8,928,539
Consolidated Statement of Changes in Net Debt			
Annual surplus	5,159,039	3,769,500	8,928,539
Purchases of tangible capital assets	(3,769,500)	-	(3,769,500)
Net debt, beginning of year - adjusted	(9,604,307)	-	(9,604,307)
Adjusted net debt	(8,214,768)	3,769,500	(4,445,268)

21. Segments

The Nation has 8 reportable segments. These segments are differentiated by the major activities or services they provide. The Nation's segments are as follows:

- Administration - includes administration and governance activities.
- Education - includes the operations of education programs.
- Social Development - includes operations and delivery of social programs.
- Housing - includes the operations of housing.
- Operations and maintenance - includes operations for the maintenance of the Nation's buildings and infrastructure.
- Capital - reports on capital projects.
- Own Source - reports on operations related to economic development and other revenue generated by the Nation.
- Other - reports on operations of other band programs.

22. Scope of operations

Poundmaker Cree Nation receives a significant portion of its revenues from Indigenous Services Canada (ISC) as a result of Treaties entered into with His Majesty the King. These Treaties are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

23. Indigenous Services Canada (ISC) reconciliation

ISC funding per confirmation	20,034,450
Add: Deferred revenue, beginning	4,789,107
Deduct: Deferred revenue, ending	(7,332,845)
	17,490,712

24. Financial Instruments

The Nation as part of its operations carries a number of financial instruments. It is management's opinion that the 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. The carrying amount of accounts receivable represents the maximum exposure to credit risk. Accounts receivable from two entities represents 83% of total receivables as at March 31, 2023 (2022 - two entities representing 96%). As at March 31, 2023, \$1,472,949 (2022 - \$3,376,570) of accounts receivable was aged less than 30 days, \$3,983 (2022 - \$0) was aged 30 - 90 days, and \$242,166 (2022 - \$168,378) was aged over 90 days.

Risk management

The Nation manages its credit risk by performing regular credit assessments and providing allowances for potentially uncollectible accounts receivable. The Nation believes there is limited credit risk as the majority of accounts receivable is due from the Government of Canada and other large funders. Due from related parties also presents a credit risk. Management monitors the amounts due, and an allowance will be recorded if conditions indicate the amounts are no longer collectible.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in 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. The Nation is exposed to interest rate risk primarily relating to long-term debt. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through obtaining debt with a combination of fixed and variable rates and entering into agreements with Canada Mortgage and Housing Corporation (CMHC) to provide subsidy for the payment of principal and interest on the related loans from CMHC.

Liquidity Risk

Liquidity risk is the risk that the Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled in cash. The Nation enters into transactions to purchase goods and services for which repayment is required at various dates.

The Nation manages the liquidity risk resulting from accounts payable and accruals, deferred revenue, capital lease payments and long-term debt payments by collecting accounts receivable, maintaining liquid assets and through an authorized operating line of credit of up to \$325,000.



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

25. Correction of an error

During the year, the Nation determined that deferred revenue had been recorded for some funding received from Indigenous Services Canada for which deferral was not required as the funding was retroactive funding.

Additionally, it was determined that additional amounts were receivable from Indigenous Services Canada for which revenue had not been recognized and a receivable recorded.

For 2022 the impact of these corrections on the consolidated financial statements is as follows:

Consolidated Statement of Financial Position

Accounts receivable increased	129,024
Deferred revenue decreased	944,080
Net debt decreased	1,073,104

Consolidated Statement of Operations and Accumulated Surplus

Indigenous Services Canada revenue increased	991,642
Accumulated surplus, beginning of year increased	81,462

2022 Accumulated surplus, end of year as previously stated	20,901,899
add: increase in Indigenous Services Canada revenue	991,642
add: increase in receivable from Indigenous Services Canada, beginning of year	81,462

<u>2022 Accumulated surplus, end of year, as restated</u>	<u>21,975,003</u>
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26. Comparative figures

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



Poundmaker Cree Nation
Schedule of Consolidated Expenses by Object
For the year ended March 31, 2023

	2023	2022
Salaries and benefits	5,198,754	5,410,692
Program	2,579,757	1,239,188
Social assistance	1,948,806	1,315,903
Professional fees	1,458,881	955,931
Contracted services	1,458,664	1,323,563
Amortization of tangible capital assets	1,113,837	1,100,668
Student	926,969	1,100,711
Meetings and travel	899,716	531,896
Repairs and maintenance	838,579	996,575
Supplies	726,575	628,213
Interest on long-term debt	537,387	273,766
Prevention	470,939	-
Membership assistance	444,506	1,064,426
Per capita distribution	443,750	447,300
Utilities and telephone	336,494	375,808
Equipment	335,198	96,248
Rent	181,140	82,666
Insurance	175,173	238,477
Bad debts	99,423	33,500
Retail cost of sales - meat shop	70,268	85,510
Bank charges and interest	42,071	71,333
Training	33,452	24,091
Service fees	10,456	15,849
Contributions to economic development	-	10,000
Administration	(6,864)	(3,271)
Reimbursements	(241,610)	(11,615)
	20,082,321	17,407,428



Poundmaker Cree Nation
Administration
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2023

	2023	2022
Revenues		
Indigenous Services Canada	1,193,213	1,785,175
Miscellaneous	10,675	124,180
Government of Canada	19	229
Rental	-	100
	1,203,907	1,909,684
Expenses		
Salaries and benefits	882,461	931,991
Program	376,638	138,896
Professional fees	291,454	306,478
Meetings and travel	277,019	259,218
Contracted services	90,883	92,376
Repairs and maintenance	86,162	58,672
Insurance	82,816	58,440
Utilities and telephone	54,210	65,082
Amortization of tangible capital assets	52,393	60,572
Bad debts	19,423	-
Supplies	18,883	130,441
Equipment	13,163	25,258
Service fees	5,411	14,818
Training	5,100	20,946
Membership assistance	4,220	407,191
Interest on long-term debt	-	28,587
Contributions to economic development	-	10,000
Bank charges and interest	(826)	53,561
Prevention	(1,000)	-
Reimbursements	(6,346)	-
Administration	(337,469)	(608,598)
	1,914,595	2,053,929
Deficit before transfers	(710,688)	(144,245)
Transfers between programs	-	(24,523)
Deficit	(710,688)	(168,768)



Poundmaker Cree Nation
Education
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2023

	2023	2022 (As Restated, Note 25)
Revenues		
Indigenous Services Canada	6,558,100	5,535,274
Government of Canada	285,000	-
Miscellaneous	24,099	-
	6,867,199	5,535,274
Expenses		
Salaries and benefits	2,889,680	2,837,172
Professional fees	945,138	574,213
Student	926,969	1,100,711
Contracted services	577,613	587,104
Program	495,002	98,746
Administration	480,070	504,338
Supplies	291,272	153,516
Meetings and travel	170,755	44,032
Repairs and maintenance	107,549	18,517
Utilities and telephone	103,466	78,398
Equipment	102,413	24,806
Amortization of tangible capital assets	72,788	64,744
Training	22,741	1,190
Insurance	13,409	2,652
Bank charges and interest	4,376	4,506
Reimbursements	(120,540)	(2,980)
	7,082,701	6,091,665
Deficit	(215,502)	(556,391)



Poundmaker Cree Nation
Social Development
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	2,729,209	1,813,721
Expenses		
Social assistance	1,948,806	1,315,903
Program	509,414	332,412
Salaries and benefits	323,158	323,928
Meetings and travel	58,462	25,753
Membership assistance	23,199	17,197
Utilities and telephone	18,008	21,228
Administration	15,461	-
Bank charges and interest	8,073	3,571
Training	736	758
Supplies	543	2,179
Equipment	150	2,758
Insurance	70	-
Service fees	-	1,031
Repairs and maintenance	-	4,093
Reimbursements	(90,609)	(174)
	2,815,471	2,050,637
Deficit	(86,262)	(236,916)



Poundmaker Cree Nation
Housing
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2023

	2023	2022
Revenues		
Indigenous Services Canada	615,585	647,679
Canada Mortgage and Housing Corporation	541,894	155,101
Rental	172,350	170,280
Miscellaneous	15,134	6,740
	1,344,963	979,800
Expenses		
Amortization of tangible capital assets	387,928	407,114
Repairs and maintenance	347,405	484,321
Contracted services	84,843	65,767
Supplies	81,839	49,077
Salaries and benefits	61,570	155,239
Insurance	57,517	50,406
Administration	38,250	22,080
Reimbursements	20,738	4,668
Interest on long-term debt	19,381	15,451
Professional fees	16,508	15,311
Bank charges and interest	6,016	7,710
Meetings and travel	5,671	7,487
Utilities and telephone	5,546	69,573
	1,133,212	1,354,204
Surplus (deficit) before transfers	211,751	(374,404)
Transfers between programs	-	13,398
Surplus (deficit)	211,751	(361,006)



Poundmaker Cree Nation
Operations and Maintenance
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2023

	2023	2022 <i>(As Restated, Note 25)</i>
Revenues		
Indigenous Services Canada	1,214,706	1,615,158
Battle River Treaty 6 Health Centre Inc.	85,675	79,373
Rental	-	250
	1,300,381	1,694,781
Expenses		
Amortization of tangible capital assets	429,494	427,946
Contracted services	348,630	359,788
Salaries and benefits	224,710	224,617
Repairs and maintenance	202,669	228,266
Utilities and telephone	131,950	121,257
Equipment	126,118	19,784
Administration	60,241	-
Supplies	58,391	28,686
Interest on long-term debt	13,763	13,021
Meetings and travel	13,375	13,073
Insurance	10,045	7,850
Bank charges and interest	2,137	-
Program	500	-
Membership assistance	163	193
Training	-	1,197
Reimbursements	-	(853)
	1,622,186	1,444,825
Surplus (deficit) before transfers	(321,805)	249,956
Transfers between programs	-	16,450
Surplus (deficit)	(321,805)	266,406



Poundmaker Cree Nation
Capital
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	2,075,257	2,248,903
Expenses		
Amortization of tangible capital assets	133,413	130,466
Professional fees	25,000	-
Repairs and maintenance	-	27,180
Contracted services	-	1,058
Bank charges and interest	-	284
	158,413	158,988
Surplus	1,916,844	2,089,915



Poundmaker Cree Nation Own Source

Schedule of Segment Revenues and Expenses

For the year ended March 31, 2023

	2023	2022
Revenues		
Indigenous Services Canada	-	146,477
First Nations Trust	670,879	304,225
Government of Canada - Class Action Settlement	500,000	-
Miscellaneous	459,638	515,840
Lease	226,392	270,957
Earnings from investment in Nation business entities	187,524	99,596
Annual Income Poundmaker Legacy Trust	132,061	135,517
Retail sales - meat shop	97,443	163,783
Grants and proposal funding	9,287	14,183
Border Tribal Council	-	65,000
Federation of Sovereign Indigenous Nations	-	25,500
Rental	-	1,000
	2,283,224	1,742,078
Expenses		
Program	708,686	423,432
Interest on long-term debt	504,243	216,707
Salaries and benefits	502,991	602,468
Per capita distribution	443,750	447,300
Contracted services	239,302	172,428
Supplies	195,773	156,536
Rent	181,140	82,666
Membership assistance	146,707	135,118
Meetings and travel	99,318	64,409
Bad debts	80,000	33,500
Retail cost of sales - meat shop	70,268	85,510
Repairs and maintenance	66,557	71,452
Professional fees	61,445	33,277
Equipment	26,950	14,862
Bank charges and interest	21,895	1,701
Amortization of tangible capital assets	21,320	4,016
Insurance	6,932	113,686
Service fees	5,045	-
Utilities and telephone	2,956	14,019
Prevention	2,703	-
Reimbursements	(44,853)	(12,276)
Administration	(430,989)	-
	2,912,139	2,660,811
Deficit before other items	(628,915)	(918,733)
Other items		
Gain (loss) on disposal of tangible capital assets	121,084	(24,123)
Treaty Salaries Settlement	-	3,044,558
Treaty Annuities Settlement overpayment recovery	-	(172,834)
Treaty Salaries legal expenses	-	(529,962)
	121,084	2,317,639
Surplus (deficit) before transfers	(507,831)	1,398,906
Transfers between programs	-	7,795
Surplus (deficit)	(507,831)	1,406,701



Poundmaker Cree Nation Other

Schedule of Segment Revenues and Expenses

For the year ended March 31, 2023

	2023	2022
Revenues		
Indigenous Services Canada	3,104,642	1,160,144
Miscellaneous	115,935	20,000
Ottawa Trust Fund	102,451	84,261
Grants and proposal funding	25,000	14,997
Government of Canada	-	26,440
	3,348,028	1,305,842
Expenses		
Program	489,517	245,702
Prevention	469,236	-
Salaries and benefits	314,184	335,277
Meetings and travel	275,116	117,924
Membership assistance	270,217	504,727
Administration	167,572	78,909
Professional fees	119,336	26,652
Contracted services	117,393	45,042
Supplies	79,874	107,778
Equipment	66,404	8,780
Repairs and maintenance	28,237	104,074
Utilities and telephone	20,358	6,251
Amortization of tangible capital assets	16,501	5,810
Training	4,875	-
Insurance	4,384	5,443
Bank charges and interest	400	-
	2,443,604	1,592,369
Surplus (deficit) before other item	904,424	(286,527)
Other item		
Gain on disposal of tangible capital assets	1,200	-
Surplus (deficit) before transfers	905,624	(286,527)
Transfers between programs	-	(13,120)
Surplus (deficit)	905,624	(299,647)