

Shoal Lake Cree Nation

Consolidated Financial Statements

March 31, 2023

Shoal Lake Cree Nation

Management's Responsibility for Financial Reporting

March 31, 2023

The consolidated financial statements have been prepared by management in accordance with the Public Sector Accounting Standards (PSAS) of the Chartered Professional Accountants of Canada (CPA) and the reporting requirements of the funding agreement with Indigenous Services Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the presentation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the consolidated financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and review the consolidated financial statements and the external auditors' report.

McClelland Debusschere CPA PC Inc., an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on file

Director of Finance

February 27, 2025

Date



McClelland Debusschere

Chartered Professional Accountants

Assurance Tax Advisory

Independent Auditors' Report

To the Members of
Shoal Lake Cree Nation

Opinion

We have audited the consolidated financial statements of Shoal Lake Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2023 and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Shoal Lake Cree Nation as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with 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 Consolidated Financial Statements section of our report. We are independent of the cree 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 these consolidated financial statements in accordance with 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 these consolidated financial statements, management is responsible for assessing the cree nation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the cree nation or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the cree 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 consolidated financial statements.



McClelland Debusschere

Chartered Professional Accountants
Assurance Tax Advisory

Independent Auditors' Report

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 cree nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the cree nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 cree 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 group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

*McClelland Debusschere
CPA PC INC*

Saskatoon, SK
February 27, 2025

Chartered Professional Accountants

Shoal Lake Cree Nation
Consolidated Statement of Financial Position
March 31, 2023

	2023	2022
Financial Assets		
Cash	\$ 868,220	\$ 545,270
Restricted assets (Note 2)	4,455,203	3,255,830
Accounts receivable (Note 3)	2,290,096	628,286
Trust funds held by federal government (Note 4)	687	667
Investments in Government Partnerships (Note 5)	2,026,849	1,808,806
	9,641,055	6,238,859
Financial Liabilities		
Accounts payable and accruals (Note 7)	1,702,253	988,195
Deferred revenue (Note 8)	9,638,192	6,692,904
Long term debt (Note 9 and 10)	1,642,658	1,988,469
	12,983,103	9,669,568
Net Debt	(3,342,048)	(3,430,709)
Non-financial Assets		
Tangible capital assets (Note 11)	20,640,099	18,186,207
Accumulated Surplus (Note 12)	\$ 17,298,051	\$ 14,755,498
Contingencies (Note 13)		

Approved on behalf of the Cree Nation:

Signature on file _____, Chief

Signature on file _____, Councilor

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

Shoal Lake Cree Nation

Consolidated Statement of Operations

For the Year Ended March 31, 2023

	2023 Budget	2023	2022
Revenue			
Grants and Contributions			
Indigenous Services Canada (Note 14)	\$ 13,947,206	\$ 17,830,882	\$ 15,042,078
Prince Albert Grand Council	717,929	1,285,660	1,170,561
Canada Mortgage and Housing Corporation	-	719,955	273,975
First Nations Trust	278,426	430,658	197,117
Nechapanuk Centre Child and Family Services	-	149,909	51,350
Northern Lights Community Development Corp.	33,727	85,110	35,000
Rental revenue	40,800	304,080	300,330
Other revenue	310,792	761,878	212,150
Specific claim negotiation reimbursement	-	84,183	290,198
Administration fees	592,009	1,100,142	1,006,802
Expense recovery	50,000	8,452	207,185
Insurance proceeds	-	84,060	-
Other revenue	-	500,000	-
Income from government business partnerships	-	268,043	349,776
Recognition (deferral) of unexpended funds	363,242	(2,945,288)	(1,490,510)
	16,334,131	20,667,724	17,646,012
Expenses			
Band administration (schedule 1)	2,658,119	3,665,718	3,590,323
Band Based Capital/Housing (schedule 2)	259,752	1,010,128	751,482
Capital Projects (schedule 3)	-	3,113,703	1,782,007
Community infrastructure (schedule 4)	1,248,649	1,285,648	1,157,454
Economic development (schedule 5)	81,825	300,890	244,996
Education (schedule 6)	4,831,228	4,978,679	4,449,545
Health (schedule 7)	1,794,404	2,845,028	2,750,969
Other programs (schedule 8)	493,557	806,232	601,120
Social development (schedule 9)	2,094,028	2,573,037	1,883,641
Amortization (schedule 10)	-	1,133,477	1,104,617
	13,461,562	21,712,540	18,316,154
Current surplus before transfers	2,872,569	(1,044,816)	(670,142)
Transfers			
Transfer to capital assets	-	3,587,369	1,932,362
Current surplus	2,872,569	2,542,553	1,262,220
Accumulated surplus - Beginning of the year	14,755,498	14,755,498	13,493,278
Accumulated surplus - End of the year	\$ 17,628,067	\$ 17,298,051	\$ 14,755,498
Expense by object disclosure (Note 15)			

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

Shoal Lake Cree Nation

Statement of Changes in Net Debt

For the Year Ended March 31, 2023

	2023 Budget	2023	2022
Annual surplus	\$ 2,872,569	\$ 2,542,553	\$ 1,262,220
Acquisition of tangible capital assets	-	(3,587,369)	(1,932,362)
Amortization of tangible capital assets	-	1,133,477	1,104,617
Prior period adjustment	-	-	377,028
Change in net debt during the year	2,872,569	88,661	811,503
Net debt - Beginning of year	(3,430,709)	(3,430,709)	(4,242,212)
Net debt - End of year	\$ (558,140)	\$ (3,342,048)	\$ (3,430,709)

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

Shoal Lake Cree Nation

Consolidated Statement of Cash Flows

For the Year Ended March 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Annual surplus	\$ 2,542,553	\$ 1,262,220
Non-cash items:		
Amortization	1,133,477	1,104,617
Net income from government business partnerships	(268,043)	(349,776)
Change in working capital items:		
Change in accounts receivable	(1,661,810)	(159,859)
Change in restricted assets	(1,199,373)	(1,178,670)
Change in accounts payable and accruals	714,058	311,074
Change in deferred revenue	2,945,288	1,490,512
	4,206,150	2,480,118
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in trust funds held by federal government	(20)	(13)
Distributions from government partnerships	50,000	50,000
	49,980	49,987
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long term debt	(345,811)	(621,972)
CAPITAL ACTIVITIES:		
Tangible capital asset purchases	(3,587,369)	(1,932,362)
Net cash increase (decreases)		
Cash at beginning of year	322,950	(24,229)
	545,270	569,499
Cash at end of year	\$ 868,220	\$ 545,270

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2023

Shoal Lake Cree Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include the Shoal Lake Cree Nation government and all related entities which are accountable to the Cree Nation and are either owned or controlled by the Cree Nation.

The reporting entity Shoal Lake Cree Nation is governed by elected officials from the Shoal Lake Cree Nation.

1. Significant Accounting Policies

a. Basis of Accounting

These consolidated financial statements have been prepared in accordance with Public Sector Accounting Standards (PSAS) prescribed for governments as recommended by the Chartered Professional Accountants of Canada.

b. Principles of Consolidation

These financial statements consolidate the assets, liabilities and results of operations for the following entities, which use accounting principles which lend themselves to consolidation:

Shoal Lake Cree Nation - Operations

Shoal Lake Cree Nation - Section 95 Social Housing Operation

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

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

Prince Albert Development Corporation

Prince Albert First Nations Business Development LP

Long-term investments in non-controlled entities are recorded at the lower of cost or net realizable value.

c. Asset classification

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

d. Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial assets is determined by its financial assets less liabilities. Net debt or net financial assets is comprised of two components, non-financial assets and accumulated surplus.

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

1. Significant Accounting Policies continued

e. Cash

Cash includes cash on hand, balances with banks net of bank overdrafts, and term deposits having a maturity of 90 days of less at acquisition which are held for the purpose of meeting short-term cash commitments.

Any cash that is legally restricted from use is recorded in restricted assets. Cash and deposits are considered restricted when they are subject to contingent rights of third parties.

f. Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Cree 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 Cree 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 Cree Nation continues to recognize the liability until it's 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.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

1. Significant Accounting Policies continued

g. Tangible capital assets

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

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

Amortization is provided for on a declining balance basis over their estimated useful lives. Half a year of amortization is recorded in the year of acquisition.

Vehicle and equipment	10-30%
Buildings	10%
Infrastructure	5%
Housing	4%

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

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

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

1. Significant Accounting Policies continued

h. Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable and member advances are assessed for collectability annually and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Payroll at year end is examined to determine an appropriate accrual for wages payable.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements.

i. Segments

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

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

j. Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

1. Significant Accounting Policies continued

k. Revenue recognition

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

Government transfers, which includes transfers from Indigenous Services Canada, Prince Albert Grand Council, Nechapanuk Centre Child and Family Services, Canada Mortgage and Housing Corporation, First Nations Trust, and Northern Lights Community Development Corporation are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

Other revenues, which includes insurance proceeds, specific claim reimbursements, rental revenue, insurance recoveries and administration fees are recognized when they are earned.

Earnings from government partnerships are recorded based on the modified equity method, based on the ownership percentage held and reported income of the other entities.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed. Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

I. Recognition of expenses

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

m. Investments

Portfolio investments which are owned by Shoal Lake Cree Nation but not controlled or influenced by the Cree Nation are recorded using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported at.

n. Pension Plan

The Shoal Lake Cree Nation provides a defined contribution plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid to the employee.

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2023

1. Significant Accounting Policies continued

o. Leased assets

Leased assets that transfer substantially all the benefits and risks of ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Cree Nation, and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

p. Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Cree 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 surplus. Trust monies consist of:

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

q. Other Economic Interests

The Nation is a member of the Prince Albert Grand Council. The Prince Albert Grand Council is an organization of 12 Nations.

The Nation does not either share in the control or the profit or loss of the PAGC. As a result, the financial statements of the PAGC have not been consolidated or proportionately consolidated with the financial statements of Shoal Lake Cree Nation.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

2. Restricted assets

The Cree Nation has received federal assistance through the CMHC, pursuant to Section 95 of the National Housing Act, to reduce mortgage interest and enable the Cree Nation to provide housing to members. The continuation of this interest rate reduction is contingent on the Cree Nation being in compliance with the terms of the agreement, which requires that a monthly amount be set aside to provide for major renovations to Nation housing in future years.

The Cree Nation has established a replacement reserve to ensure replacement of buildings financed by the CMHC, as well as a reserve related to surpluses generated in the post-1996 program, which are to be set aside and used to meet future subsidy requirements of income tested occupants over and above the maximum federal assistance.

The CMHC reserve funds must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by the CMHC. Reserve withdrawals are credited first to interest and then to principal.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Restricted assets are comprised of the following:

	2023	2022
Funds held for capital projects	\$ 3,991,606	\$ 2,625,936
CMHC replacement reserve	463,597	629,894
	\$ 4,455,203	\$ 3,255,830

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

3. Accounts receivable

	2023	2022
Due from members	\$ 571,806	\$ 566,623
Less: allowance for doubtful accounts	<u>(561,268)</u>	<u>(561,268)</u>
	10,538	5,355
ISC	1,527,838	507,884
CMHC - Special Contribution receivable	448,500	-
Prince Albert Grand Council	123,208	-
Northern Lights Community Development Corp.	91,360	42,477
GST rebates	66,031	42,860
CMHC	22,621	22,621
Insurance proceeds	-	7,089
	<u>\$ 2,290,096</u>	<u>\$ 628,286</u>

4. Trust funds held by federal government

	2023	2023	2023	2022
	Revenue	Capital	Total	Total
Surplus, beginning of year	\$ 667	\$ -	\$ 667	\$ 654
Interest earned	20	-	20	13
	<u>\$ 687</u>	<u>\$ -</u>	<u>\$ 687</u>	<u>\$ 667</u>

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

5. Investments in Government Partnerships

Commercial enterprises are those organizations that meet the definition of government partnerships as described by Public Sector Accounting Standards of CPA Canada. Government partnerships have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside of the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government. These partnerships are formed by multiple governments coming together to attain a common goal.

Investments in Government Partnerships consists of the following:

	2023	2022
Prince Albert First Nations Business Development LP - 8.33% ownership	\$ 2,000,144	\$ 1,784,153
Prince Albert Development Corporation - 8.33% ownership	26,705	24,653
	\$ 2,026,849	\$ 1,808,806

During the fiscal year, the Cree Nation received \$50,000 (2022 - \$50,000) of distributions from Prince Albert First Nations Business Development Limited Partnership.

Summarized financial information for the investments in Government Partnerships for the year ending March 31, 2023 is as follows:

	Prince Albert First Nations Business Development Corporation	LP	2023	Prince Albert Development Corporation	Prince Albert First Nations Business Development LP	2022
Balance sheet						
Cash	\$ -	\$ 1,370,156	\$ 1,370,156	\$ -	\$ 748,501	\$ 748,501
Other assets	332,498	23,114,439	23,446,937	313,044	21,084,246	21,397,290
	332,498	24,484,595	24,817,093	313,044	21,832,747	22,145,791
Liabilities	10,096	155,408	165,504	12,557	115,125	127,682
Equity	322,402	24,329,187	24,651,589	300,487	21,717,622	22,018,109
	332,498	24,484,595	24,817,093	313,044	21,832,747	22,145,791
Income statement						
Income (loss)	32,021	3,590,654	3,622,675	43,779	4,476,879	4,520,658
Expenses	9,099	366,523	375,622	11,035	268,535	279,570
	\$ 22,922	\$ 3,224,131	\$ 3,247,053	\$ 32,744	\$ 4,208,344	\$ 4,241,088

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

6. Bank indebtedness

The Cree Nation has an approved overdraft limit of \$200,000 with First Nations Bank bearing interest at prime plus 1.85%. The operating loan is secured by a Band Council Resolution authorizing redirection of ISC funding, a general security agreement, and access to on-reserve assets.

The draw on the line of credit is \$nil (2022 - \$nil).

7. Accounts payable and accruals

	2023	2022
Trade accounts payable	\$ 927,965	\$ 395,482
Wages payable	494,150	293,881
Prince Albert Grand Council	140,360	172,047
Indigenous Services Canada	126,785	126,785
Payable to band members	12,993	-
	<hr/> <u>\$ 1,702,253</u>	<hr/> <u>\$ 988,195</u>

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

8. Unexpended revenue

ISC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to ISC, deferred to the following year, or transferred to another ISC program area.

	Beginning of year	Contributions received (recognized)	2023
ISC - Instructional services	\$ 1,045,879	\$ 371,871	1,417,750
ISC - Basic needs (Covid)	669,164	-	669,164
ISC - Construction Budget 22	-	366,907	366,907
ISC - CFS Prevention - Per Capita Allocation	-	327,864	327,864
ISC - Immediate Needs Construction	-	321,620	321,620
ISC - Immediate needs housing - Lot servicing	250,000	-	250,000
ISC - First Nation Representation	-	241,710	241,710
ISC - Basic needs	10,217	201,593	211,810
ISC - Post secondary student support program	196,323	12,919	209,242
ISC - Special needs (Covid)	162,641	(28,279)	134,362
ISC - Water systems	239,922	(124,933)	114,989
ISC - Community Buildings	-	105,406	105,406
ISC - Social delivery	46,416	16,652	63,068
ISC - Waste diversion program	62,733	(24,527)	38,206
ISC - Social assistance employment & training	124,301	(98,694)	25,607
ISC - JP Capital Investments	23,943	-	23,943
ISC - Professional capacity development	16,770	-	16,770
ISC - JP Cultural Act	15,840	-	15,840
ISC - Capacity & financial training	15,000	-	15,000
ISC - Employee Benefits Statutory	19,043	(6,618)	12,425
ISC - CPNP Can Prent'l	5,341	(1,837)	3,504
ISC - CDCM - Pub Health NS & CHRS	211,628	(211,628)	-
ISC - Immediate needs renovations	112,695	(112,695)	-
ISC - FN SCH Targetted HCSE	94,580	(94,580)	-
ISC - FN School Second Level	18,065	(18,065)	-
ISC - Fin MGMT Gov Dev Cap	12,845	(12,845)	-
ISC - HIV/AIDS	7,900	(7,900)	-
ISC - Roads & bridges	3,966	(3,966)	-
ISC - Service Delivery Infrastructure	1,349	(1,349)	-
ISC - Fin Gov Dev Cap HR Training	220	(220)	-
	3,366,781	1,218,406	4,585,187

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

8. Unexpended revenue continued

	Beginning of year	Contributions received (recognized)	2023
Capital funding			
ISC - School ground drainage	206,184	1,472,260	1,678,444
ISC - SPS upgrades	1,224,403	(243,181)	981,222
ISC - SWTS Cleanup	618,113	48,437	666,550
ISC - School assessment	150,325	306,965	457,290
ISC - School renovation	330,000	-	330,000
ISC - Lagoon upgrades & expansion	261,764	-	261,764
ISC - Drainage study	158,567	-	158,567
ISC - Teacherages	150,000	(11,952)	138,048
ISC - WTP filter replacement	41,242	(17,900)	23,342
	3,140,598	1,554,629	4,695,227
Other Funding			
PAGC Headstart	154,679	101,513	256,192
NLCDC	15,743	67,754	83,497
PAGC Daycare	15,103	2,986	18,089
	185,525	172,253	357,778
	\$ 6,692,904	\$ 2,945,288	\$ 9,638,192

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

9. Long term debt

	2023	2022
CMHC Loans		
CMHC Phase 5 loan bearing interest at 1.75% per annum, repayable in monthly blended payments of \$803. The loan is secured by a ministerial loan guarantee. The loan will be renewed on June 1, 2024.	\$ 11,878	\$ 21,196
CMHC Phase 6 loan bearing interest at 1.3% per annum, repayable in monthly blended payments of \$1,494. The loan is secured by a ministerial loan guarantee. The loan will be renewed on October 1, 2025.	45,602	62,850
CMHC Phase 7 loan bearing interest at 1.75% per annum, repayable in blended monthly payments of \$1,342. The loan is secured by a ministerial loan guarantee. The loan will be renewed on October 1, 2024.	86,837	101,291
CMHC Phase 8 loan bearing interest at 1.86% per annum, repayable in monthly blended payments of \$4,134. The loan is secured by a ministerial loan guarantee. The loan will be renewed on June 1, 2024.	277,797	321,813
CMHC Phase 9 loan bearing interest at 1.06% per annum, repayable in monthly blended payments of \$2,064. The loan is secured by a ministerial loan guarantee. The loan will be renewed on October 1, 2025	63,093	87,056
CMHC Phase 10 loan bearing interest at 1.13% per annum, repayable in monthly blended payments of \$3,986. The loan is secured by a ministerial loan guarantee. The loan will be renewed on May 1, 2026.	148,727	194,601
CMHC Phase 11 loan bearing interest at 1.75% per annum, repayable in monthly blended payments of \$3,655. The loan is secured by a ministerial loan guarantee. The loan will be renewed on October 1, 2024.	239,793	279,099
CMHC Phase 12 loan bearing interest at 1.75% per annum, repayable in monthly blended payments of \$2,588. The loan is secured by a ministerial loan guarantee. The loan will be renewed on October 1, 2024.	179,144	206,818
CMHC Phase 13 loan bearing interest at 0.74% per annum, repayable in monthly blended payments of \$3,158. The loan is secured by a ministerial loan guarantee. The loan will be renewed on February 1, 2026.	466,758	501,073
	1,519,629	1,775,797
Other Loans		
FNB loan bearing interest at prime plus 0.75% per annum, repayable in monthly payments of \$4,948 plus interest. The loan matures on March 1, 2024 and is secured by a Band Council Resolution authorizing redirection of 100% of First Nations Trust gaming distributions and 100% of Northern Lights Community Development Corporation distributions and assignment of term deposits and credit balances issued by the First Nation in the amount of \$475,000.	59,375	118,750
Legacy Bus loan on the purchase of a bus bearing interest at 8.5% per annum, repayable in monthly payments of \$1,889. The loan matures on January 1, 2025.	38,362	56,907
Glenmor loan on the purchase of a Tractor bearing 0% interest, repayable in monthly payments of \$402. The loan matures on July 2, 2026.	16,096	20,925
Glenmor loan on the purchase of a Tractor bearing 0% interest, repayable in monthly payments of \$347. The loan matures on July 2, 2024.	5,553	9,717
Glenmor loan on the purchase of a Tractor bearing 0% interest, repayable in monthly payments of \$228. The loan matures on July 2, 2024.	3,642	6,373
	\$1,642,658	\$1,988,469

The amount of debt repayable in subsequent periods is estimated at:

2024	349,101
2025	283,548,
2026	244,524
2027	179,607
2028	172,720
Subsequent years	413,158

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2023

10. Debt covenant violation

Shoal Lake Cree Nation's loan agreements are subject to covenant clauses, whereby the Cree Nation is required to meet certain key conditions set out in the loan agreement. The Cree Nation did not fulfil the covenants as required by one of the agreements. Due to this breach, the lender is entitled to request immediate repayment of the loan, however they have waived this right.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements
For the Year Ended March 31, 2023

11. Tangible capital assets

March 31, 2023	CMHC Houses	Band Housing	Buildings	Infrastructure	Vehicles & Equipment	Assets Under Construction	Total
Cost							
Balance, beginning of year	\$ 6,238,556	\$ 5,482,369	\$ 15,883,760	\$ 16,273,496	\$ 1,831,008	\$ 2,436,861	\$ 48,146,050
Additions	-	-	-	-	448,384	3,138,985	3,587,369
Balance, end of year	6,238,556	5,482,369	15,883,760	16,273,496	2,279,392	5,575,846	51,733,419
Accumulated amortization							
Balance, beginning of year	3,908,599	3,336,512	13,447,990	7,892,629	1,374,113	-	29,959,843
Amortization	256,166	85,834	243,577	419,043	128,857	-	1,133,477
Balance, end of year	4,164,765	3,422,346	13,691,567	8,311,672	1,502,970	-	31,093,320
Net Book Value, end of Year	2,073,791	2,060,023	2,192,193	7,961,824	776,422	5,575,846	20,640,099
March 31, 2022							
Cost							
Balance, beginning of year	6,238,556	5,482,369	15,883,760	16,273,496	1,563,588	771,919	46,213,688
Additions	-	-	-	-	267,420	1,909,564	2,176,984
Disposals	-	-	-	-	-	(244,622)	(244,622)
Balance, end of year	6,238,556	5,482,369	15,883,760	16,273,496	1,831,008	2,436,861	48,146,050
Accumulated amortization							
Balance, beginning of year	3,655,806	3,247,101	13,177,349	7,451,531	1,323,439	-	28,855,226
Amortization	252,793	89,411	270,641	441,098	50,674	-	1,104,617
Balance, end of year	3,908,599	3,336,512	13,447,990	7,892,629	1,374,113	-	29,959,843
Net Book Value, end of year	\$ 2,329,957	\$ 2,145,857	\$ 2,435,770	\$ 8,380,867	\$ 456,895	\$ 2,436,861	\$ 18,186,207

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

12. Accumulated surplus

	2023	2022
Equity in capital assets	\$19,003,442	\$16,197,739
Equity in investments	2,026,849	1,808,806
CMHC reserves	720,956	776,032
Operating fund	<u>(4,453,196)</u>	<u>(4,027,079)</u>
	<u>\$17,298,051</u>	<u>\$14,755,498</u>

- The operating fund reports on the general activities of the Cree Nation's administration;
- Equity in capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services;
- Equity in investments reports on commercial business operations owned by the Cree Nation; and
- The CMHC reserves are replacement and operating reserves required to be funded for future housing replacements, as per agreements with CMHC.

13. Contingencies

Shoal Lake Cree Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the Cree Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Shoal Lake Cree Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Shoal Lake Cree Nation's financial statements.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

14. Reconciliation of ISC revenue

The Cree Nation has entered into funding arrangements with Indigenous Services Canada. The funds are used by the Cree Nation to administer its operations and provide service to its members in accordance with the terms of the funding arrangement. Funding received under these contribution agreements is subject to repayment if the Cree Nation fails to comply with the terms and conditions of the agreements. ISC revenue consists of the following:

	2023	2022
ISC - Flexible	\$ 9,205,348	\$ 7,206,858
ISC - Fixed	7,571,021	6,803,762
ISC - Set	554,250	549,000
ISC - Grant	500,263	482,458
	<u>\$17,830,882</u>	<u>\$15,042,078</u>

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

15. Expenses by object

	2023	2023	2022
	Budget	Actual	Actual
Salaries and benefits	\$ 4,401,252	\$ 4,510,364	\$ 4,109,449
Construction	-	2,418,843	1,632,960
Professional fees	315,982	2,107,158	969,197
Social assistance - basic needs	1,449,780	1,748,905	1,438,744
Program activities	1,767,560	1,671,757	541,495
Amortization of tangible assets	-	1,133,477	1,104,617
Administration fees	635,222	1,106,592	1,144,059
Repairs and maintenance	476,945	802,651	870,643
Transportation program costs	462,250	749,702	768,736
Member assistance	318,687	721,424	574,849
Travel expenses	612,920	685,529	840,580
Supplies	596,171	669,529	708,838
Student expenses	466,314	607,752	381,896
Other operating expenses	25,206	550,009	332,030
Insurance	144,041	437,574	398,978
Capital Purchases	569,243	415,860	169,988
Sub-contracts	642,715	382,468	197,341
Utilities	345,874	341,386	482,320
Covid-19 assistance	-	244,901	1,337,168
Social assistance - special needs	195,646	223,925	83,018
Rental	15,912	135,966	48,165
Interest on long term debt	15,272	31,536	41,869
Bank charges and interest	4,570	13,487	13,039
Transfers to reserves	-	1,745	399
Contracts	-	-	87,688
Meetings	-	-	38,088
Total expenses before transfers	13,461,562	21,712,540	18,316,154
Transfer to capital assets	-	(3,587,369)	(1,932,362)
	\$ 13,461,562	\$ 18,125,171	\$ 16,383,792

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

16. Specific Claim

In 2019, Shoal Lake Cree Nation initiated a treaty benefits claim against the Government of Canada. The Cree Nation has obtained loans through a pre-settlement trust to finance the costs of negotiating a settlement on the claim. Insurance has been obtained by the pre-settlement trust to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time a claim is resolved.

17. Funded reserves

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

- The replacement reserve to ensure replacement of capital equipment and for major repairs to housing units, which requires an annual cash allocation of \$75,528 to the reserve. At March 31, 2023, the reserve is required to be funded to a level of \$1,541,219 (2022 - \$1,018,936). At March 31, 2023, the cash balance in the reserve is \$463,597 (2022 - \$629,894)
- An operating surplus reserve established for housing units under the Post 1996 Fixed Subsidy Program which requires surpluses to be funded with cash. Future operating losses are able to draw on the reserve funds to sustain operations. At March 31, 2023, the reserve is required to be funded to a level of \$(504,667) (2022 - \$(297,980)). At March 31, 2023, the cash balance in the reserve is \$nil (2022 - \$nil)

In accordance with terms of the agreement, CMHC reserve monies 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.

18. Economic dependence

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

19. ISC funding

The Cree Nation (Recipient) receives funding from Indigenous Services Canada (ISC) by entering into an agreement with ISC:

There are five approaches that ISC may consider in the design and delivery of transfer payment programs:

1. Grant approach – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. Set contribution approach – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to ISC annually.
3. Fixed contribution approach – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by ISC. A plan must be submitted and approved by ISC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by ISC.
4. Flexible contribution approach – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to ISC at the end of the project, program or agreement.
5. Block contribution approach – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by ISC.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements For the Year Ended March 31, 2023

20. Segmented information

The Cree Nation conducts its business through reportable segments as follows:

1 - Indigenous Services Canada

Band Administration: Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations, and to defray the costs of administering programs on behalf of the member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Band Based Capital, Housing, & Capital Projects: Costs to acquire, construct, operate and maintain band housing and basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Community Infrastructure & Economic Development: Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education: Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with ISC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labour market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide Internet access, information technology equipment, technical support and training to students and school staff.

Social Development: First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

20. Segmented information continued

2 - Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3 - Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

4 - Other Programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

21. Pension Plan

The Shoal Lake Cree Nation and eligible employees participate in a defined contribution pension plan.

Shoal Lake Cree Nation's financial obligation is limited to providing contribution at a specific rate in respect of employee's current service. The employee contribution rate as a percentage of salary was 3-8% (2022 3-8%), the employer contribution rate as a percentage of salary was 3-8% (2022 - 3-8%).

22. Annual Surplus Net of Capital Related Revenues and Amortization

	2023	2022
Annual surplus as per Consolidated Statement of Operations	\$ 2,542,553	\$ 1,262,220
Less capital related revenues included in annual surplus		
Federal government transfers recognized	(2,980,371)	(1,739,566)
Loss (income) from government business partnerships	(437,818)	(477,346)
Amortization expense included in annual surplus	(268,043)	(349,776)
	1,133,477	1,104,617
	\$ 427,616	\$ 277,495

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

Shoal Lake Cree Nation

Notes to the Consolidated Financial Statements

For the Year Ended March 31, 2023

23. Financial Instruments

Financial assets include cash, restricted assets, trust funds held by the Federal Government, accounts receivable, and investments in government partnerships, and are measured at amortized cost as presented on the consolidated statement of financial position, except for the trusts funds held by the Federal Government which are measured at fair value, and government partnerships which are measured using the modified equity method.

Financial liabilities include accounts payable, deferred revenue and long-term debt and are measured at amortized cost as presented on the consolidated statement of financial position.

The Cree Nation is not subject to currency risk, credit risk, or other price risk. The following are the significant risks to which the Cree Nation is exposed:

Interest rate risk

The Cree Nation is exposed to interest rate cash flow risk to the extent that its loans payable are at a floating rate of interest. The Cree Nation is also exposed to interest rate price risk to the extent that agreements receivable are at a fixed rate of interest.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this risk, the Cree Nation maintains a portion of its invested assets in liquid securities.

Market risk

Market risk is the risk that financial instruments fair values will fluctuate due to changes in market prices. The significant market risks to which the Cree Nation is exposed are interest rate risk and price risk.

24. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and have been derived from the estimates approved by the Shoal Lake Cree Nation Chief and Council.

25. Comparative figures

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

Shoal Lake Cree Nation

Schedule #1

Band Administration

Schedule of Operations

For the Year Ended March 31, 2023
(unaudited)

	2023	2023	2022
	Budget	Actual	Actual
Revenue			
ISC - Flexible	\$ 1,571,601	\$ 2,075,338	\$ 1,090,962
ISC - Grant	363,642	500,263	482,458
ISC - Fixed	277,359	89,117	292,735
Specific claim negotiation reimbursement	-	84,183	290,198
Other revenue	139,500	701,626	120,191
Administration fees	523,248	1,100,142	1,006,802
Prince Albert Grand Council	61,569	34,357	29,599
First Nation Water Settlement Funds	-	500,000	-
Expense recovery	50,000	8,452	207,185
Recognition (deferral) of unexpended funds	-	(549,892)	108,437
	2,986,919	4,543,586	3,628,567
Expenses			
Professional fees	299,313	941,249	532,084
Salaries and benefits	640,872	724,052	531,624
Program activities	657,602	468,447	39,240
Capital Purchases	487,290	378,143	-
Travel expenses	294,942	327,167	503,501
Administration fees	-	258,614	315,580
Covid-19 assistance	-	225,346	1,049,342
Member assistance	144,209	151,577	215,509
Supplies	71,803	69,360	109,399
Utilities	36,723	46,688	72,077
Insurance	1,652	40,350	34,285
Bank charges and interest	4,570	13,344	12,756
Other operating expenses	78	9,800	2,058
Interest on long term debt	15,272	8,989	16,144
Rental	2,894	2,592	3,540
Sub-contracts	899	-	4,100
Contracts	-	-	76,188
Repairs and maintenance	-	-	41,682
Meetings	-	-	31,213
	2,658,119	3,665,718	3,590,323
Current surplus before transfers			
Transfer to capital assets	328,800	877,868	38,244
	-	378,000	-
Current surplus (deficit)	\$ 328,800	\$ 1,255,868	\$ 38,244

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

Shoal Lake Cree Nation

Schedule #2

Band Based Capital/Housing
 Schedule of Operations
 For the Year Ended March 31, 2023
 (unaudited)

	2023	2023	2022
	Budget	Actual	Actual
Revenue			
ISC - Flexible	\$ 333,787	\$ 216,360	\$ 216,360
ISC - Fixed	172,463	-	-
Rental revenue	-	262,980	262,980
Canada Mortgage and Housing Corporation	-	719,955	273,975
Other revenue	-	464	2,175
Insurance proceeds	-	84,060	-
Recognition (deferral) of unexpended funds	-	112,695	53,622
	506,250	1,396,514	809,112
Expenses			
Repairs and maintenance	118,094	613,368	385,582
Insurance	101,519	291,108	253,839
Administration fees	39,989	63,036	62,676
Interest on long term debt	-	22,547	25,725
Professional fees	-	14,123	17,217
Supplies	-	4,038	3,980
Transfers to reserves	-	1,745	399
Bank charges and interest	-	143	283
Other operating expenses	-	20	-
Travel expenses	150	-	1,780
	259,752	1,010,128	751,482
Current surplus before transfers			
Transfer to capital assets	246,498	386,386	57,630
	-	191,281	-
Current surplus (deficit)	\$ 246,498	\$ 577,667	\$ 57,630

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

Shoal Lake Cree Nation

Schedule #3

Capital Projects
 Schedule of Operations
 For the Year Ended March 31, 2023
 (unaudited)

	2023	2023	2022
	Budget	Actual	Actual
Revenue			
ISC - Flexible	\$ 2,387,934	\$ 4,406,923	\$ 3,053,760
ISC - Fixed	-	945,000	535,000
Recognition (deferral) of unexpended funds	-	(2,243,156)	(1,478,169)
	2,387,934	3,108,767	2,110,591
Expenses			
Construction	-	2,418,843	1,632,960
Professional fees	-	561,526	101,376
Administration fees	-	81,692	5,229
Salaries and benefits	-	49,345	-
Repairs and maintenance	-	2,294	42,441
	-	3,113,703	1,782,007
Current surplus before transfers			
Transfer to capital assets	-	(4,936)	328,584
	-	2,980,371	1,739,566
Current surplus (deficit)	\$ 2,387,934	\$ 2,975,435	\$ 2,068,150

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

Shoal Lake Cree Nation

Schedule #4

Community Infrastructure
 Schedule of Operations
 For the Year Ended March 31, 2023
 (unaudited)

	2023	2023	2022
	Budget	Actual	Actual
Revenue			
ISC - Fixed	\$ 1,164,991	\$ 1,083,798	\$ 882,176
Prince Albert Grand Council	155,500	170,263	241,363
Other revenue	20,842	19,110	14,730
Recognition (deferral) of unexpended funds	206,760	48,020	347,329
	1,548,093	1,321,191	1,485,598
Expenses			
Sub-contracts	641,816	382,468	193,241
Salaries and benefits	254,165	310,513	397,336
Supplies	75,414	135,282	27,469
Rental	6,896	117,000	-
Administration fees	64,972	105,880	88,218
Utilities	99,269	99,615	127,569
Repairs and maintenance	90,563	69,474	286,676
Other operating expenses	-	34,612	-
Travel expenses	10,274	24,325	31,503
Insurance	5,280	6,482	5,442
	1,248,649	1,285,648	1,157,454
Current surplus before transfers			
Transfer to capital assets	299,444	35,543	328,144
	-	-	22,799
Current surplus (deficit)	\$ 299,444	\$ 35,543	\$ 350,943

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

Shoal Lake Cree Nation

Schedule #5

Economic Development
 Schedule of Operations
 For the Year Ended March 31, 2023
 (unaudited)

	2023	2023	2022
	Budget	Actual	Actual
Revenue			
ISC - Fixed	\$ -	\$ 118,000	\$ 135,245
ISC - Flexible	63,750	113,750	42,500
Prince Albert Grand Council	18,100	33,100	18,100
Other revenue	20,000	-	-
Recognition (deferral) of unexpended funds	-	-	41,644
	101,850	264,850	237,489
Expenses			
Program activities	-	108,308	-
Professional fees	-	73,410	9,089
Travel expenses	18,564	40,122	22,275
Salaries and benefits	29,555	29,005	53,848
Supplies	18,100	26,870	16,690
Administration fees	6,375	23,175	17,775
Transportation program costs	-	-	125,320
Other operating expenses	9,231	-	-
	81,825	300,890	244,996
Current surplus (deficit)	\$ 20,025	\$ (36,040)	\$ (7,507)

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

Shoal Lake Cree Nation

Schedule #6

Education

Schedule of Operations

For the Year Ended March 31, 2023
(unaudited)

	2023	2023	2022
	Budget	Actual	Actual
Revenue			
ISC - Fixed	\$ 4,851,791	\$ 4,955,380	\$ 4,450,548
ISC - Flexible	-	-	127,776
Rental revenue	40,800	41,100	37,350
Administration fees	75,001	-	-
Recognition (deferral) of unexpended funds	-	(272,145)	(69,183)
	4,967,592	4,724,335	4,546,491
Expenses			
Salaries and benefits	2,703,054	2,614,374	2,414,112
Student expenses	466,314	607,752	381,896
Administration fees	415,529	495,538	457,832
Professional fees	16,670	457,061	291,832
Supplies	283,061	231,018	329,108
Utilities	157,772	139,657	219,120
Repairs and maintenance	238,608	100,030	108,950
Travel expenses	158,945	97,362	86,272
Program activities	342,371	90,425	3,680
Insurance	27,925	87,723	93,615
Capital Purchases	15,562	37,717	-
Rental	4,022	15,117	43,575
Other operating expenses	1,395	4,905	3,827
Contracts	-	-	11,500
Meetings	-	-	4,225
	4,831,228	4,978,679	4,449,545
Current surplus before transfers			
Transfer to capital assets	136,364	(254,344)	96,946
	-	37,717	-
Current surplus (deficit)	\$ 136,364	\$ (216,627)	\$ 96,946

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

Shoal Lake Cree Nation

Schedule #7

Health

Schedule of Operations

For the Year Ended March 31, 2023
(unaudited)

	2023	2023	2022
	Budget	Actual	Actual
Revenue			
ISC - Flexible	\$ -	\$ 30,240	\$ 654,135
ISC - Fixed	-	149,197	148,120
ISC - Set	504,750	507,250	526,000
Prince Albert Grand Council	456,090	1,020,470	854,829
Other revenue	125,450	32,164	2,670
Recognition (deferral) of unexpended funds	-	116,866	(176,196)
	1,086,290	1,856,187	2,009,558
Expenses			
Transportation program costs	462,249	749,702	643,416
Salaries and benefits	608,882	632,990	557,912
Program activities	345,310	537,715	202,758
Other operating expenses	8,300	442,119	325,098
Supplies	94,255	170,471	174,523
Travel expenses	82,307	126,566	138,807
Administration fees	35,156	20,044	148,684
Professional fees	-	59,787	17,599
Utilities	52,110	55,427	63,552
Covid-19 assistance	-	19,555	287,826
Repairs and maintenance	29,679	17,485	5,311
Insurance	7,665	11,912	11,796
Rental	2,100	1,258	1,049
Capital Purchases	66,391	-	169,988
Meetings	-	-	2,650
	1,794,404	2,845,028	2,750,969
Current surplus before transfers	(708,114)	(988,841)	(741,411)
Transfer to capital assets	-	-	169,998
Current surplus (deficit)	\$ (708,114)	\$ (988,841)	\$ (571,413)

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

Shoal Lake Cree Nation

Schedule #8

Other Programs

Schedule of Operations

For the Year Ended March 31, 2023
(unaudited)

	2023	2023	2022
	Budget	Actual	Actual
Revenue			
ISC - Fixed	\$ -	\$ -	\$ 187,741
First Nations Trust	278,426	430,658	197,117
Nechapanuk Centre Child and Family Services	-	149,909	51,350
Northern Lights Community Development Corp.	33,727	85,110	35,000
Income from government business partnerships	-	268,043	349,776
Other revenue	5,000	8,514	72,383
Recognition of unexpended funds	-	15,743	-
Deferral of unexpended funds	-	(83,497)	(15,743)
	317,153	874,480	877,624
Expenses			
Member assistance	174,478	569,847	359,340
Program activities	241,957	115,605	175,549
Other operating expenses	-	58,429	-
Administration fees	26,125	26,124	26,124
Supplies	33,727	17,356	19,257
Salaries and benefits	15,000	15,000	15,000
Travel expenses	2,270	3,870	5,850
	493,557	806,232	601,120
Current surplus (deficit)	\$ (176,404)	\$ 68,248	\$ 276,504

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

Shoal Lake Cree Nation

Schedule #9

Social Development
 Schedule of Operations
 For the Year Ended March 31, 2023
 (unaudited)

	2023	2023	2022
	Budget	Actual	Actual
Revenue			
ISC - Flexible	\$ 1,706,292	\$ 2,362,737	\$ 2,021,365
ISC - Fixed	224,993	230,530	172,197
ISC - Set	36,338	47,000	23,000
Prince Albert Grand Council	26,670	27,470	26,670
Recognition (deferral) of unexpended funds	156,482	(89,923)	(302,251)
	<u>2,150,775</u>	<u>2,577,814</u>	<u>1,940,981</u>
Expenses			
Social assistance - basic needs	1,449,780	1,748,905	1,438,744
Program activities	180,321	351,256	120,268
Social assistance - special needs	195,646	223,925	83,018
Salaries and benefits	149,722	135,085	139,617
Travel expenses	45,469	66,118	50,593
Administration fees	47,076	32,490	21,941
Supplies	19,811	15,134	28,413
Other operating expenses	6,203	125	1,047
	<u>2,094,028</u>	<u>2,573,037</u>	<u>1,883,641</u>
Current surplus (deficit)	\$ 56,747	\$ 4,777	\$ 57,340

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

Shoal Lake Cree Nation

Schedule #10

Amortization

Schedule of Operations

For the Year Ended March 31, 2023

(unaudited)

	2023	2023	2022
	Budget	Actual	Actual
Revenue			
Expenses			
Amortization	\$ -	\$ 1,133,477	\$ 1,104,617
Current surplus (deficit)	\$ -	\$ (1,133,477)	\$ (1,104,617)

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