

Nekaneet First Nation

Consolidated Financial Statements

March 31, 2024

Nekaneet First Nation

Management's Responsibility for Financial Reporting

March 31, 2024

The financial statements have been prepared by management in accordance with the Canadian Public Sector Accounting Standards (PSAS) 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 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 financial statements and the external auditors' report.

McClelland Debusschere CPA PC Inc., an independent firm of Chartered Professional Accountants, has been engaged by Chief and Council 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

Nekaneet First Nation

December 9, 2024

Date



McClelland Debusschere

Chartered Professional Accountants
Assurance Tax Advisory

Independent Auditor's Report

To the Members of
Nekaneet First Nation

Opinion

We have audited the consolidated financial statements of Nekaneet First Nation, which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, remeasurement gains and losses, cash flows and changes in net debt 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 Nekaneet First Nation as at March 31, 2024, 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 accounting standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 27 in the consolidated financial statements, which explains that certain comparative information for the year ended March 31, 2023 has been restated.

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 first 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 first nation or to cease operations, or has no realistic alternative to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted accounting standards will always detect a material misstatement



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Independent Auditor's Report

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 accounting standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the first nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the first nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 first nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the 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 first 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.

McClelland Debusschere
CPA PC INC

Saskatoon, SK
December 9, 2024

Chartered Professional Accountants

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Nekaneet First Nation

Consolidated Statement of Financial Position
March 31, 2024

	2024	2023 (Restated - see note [27])
Financial Assets		
Cash	\$ 841,142	\$ 209,866
Restricted assets (Note 2)	331,367	291,142
Trust funds held by Federal Government (Note 3)	102,135	30,474
Accounts receivable (Note 4)	2,561,889	497,872
Due from related parties (Note 5)	543,286	518,713
Limited partnership interests (Note 6)	429,251	431,658
Portfolio investment (Note 7)	666,667	666,667
	\$ 5,475,737	\$ 2,646,392
Financial Liabilities		
Bank indebtedness (Note 8)	30,203	314,238
Accounts payable (Note 9)	1,918,410	358,766
Unexpended revenue (Note 10)	4,310,972	2,013,415
Long term debt (Note 11)	4,784,249	4,957,052
Loss in government business enterprises (Note 12)	1,269,504	1,278,788
	12,313,338	8,922,259
Net Financial Debt	(6,837,601)	(6,275,867)
Non-financial Assets		
Tangible capital assets (Note 13)	8,993,373	8,215,108
Prepaid expenses	9,550	-
	9,002,923	8,215,108
Accumulated Surplus (Note 14)		
Accumulated operating surplus	2,165,322	2,272,571
Accumulated remeasurement losses	-	(333,333)
	\$ 2,165,322	\$ 1,939,238

Approved on behalf of the Nekaneet First Nation:

Signature on file

Signature on file

Signature on file

Signature on file

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

Nekaneet First Nation

Consolidated Statement of Operations For the Year Ended March 31, 2024

	2024 Budget	2024	2023 (Restated - see note [27])
Revenue			
Grants and Contributions			
Indigenous Services Canada (Note 15)	\$ 3,508,676	\$ 5,847,412	\$ 5,355,434
Federation of Sovereign Indigenous Nations	350,583	723,788	268,347
Canada Mortgage and Housing	146,339	300,923	251,118
First Nations Trust	125,000	284,132	215,438
Ottawa Trust (Note 3)	-	174,661	175,598
File Hills Qu'Appelle Tribal Council	63,369	70,834	73,977
Government of Saskatchewan	45,000	59,584	52,329
Canada Heritage	-	-	300,000
Other revenue	380,213	1,280,326	1,818,324
Community Development Account	-	368,434	286,942
Rebate Income	420,000	277,543	418,262
Keseechiwan Holdings - monetary benefit	-	91,628	91,628
Living Sky Community Development Corp	-	42,831	7,987
TC Keystone Pipeline LP	-	28,500	10,000
Earnings in Government Business Enterprises (Note 12)	-	13,283	61,310
Limited Partnership Earnings (loss) (Note 6)	-	(2,407)	37,008
Recognition (deferral) of unexpended funding (Note 10)	-	(2,297,557)	(716,146)
	5,039,180	7,263,915	8,707,556
Expenses			
Community Development (Schedule 1)	1,093,347	819,190	1,087,791
Economic Development (Schedule 2)	33,369	27,295	59,365
Education (Schedule 3)	782,373	964,829	1,315,450
Indigenous Government Support (Schedule 4)	618,997	904,024	801,606
Social Development (Schedule 5)	377,629	404,170	351,881
Registration and Membership (Schedule 6)	5,000	5,398	6,638
Governance and Institutions (Schedule 7)	102,500	64,322	264,657
Health Services (Schedule 8)	492,853	502,162	872,889
CMHC Operations (Schedule 9)	146,339	115,882	213,890
Band Programs (Schedule 10)	1,150,107	2,536,539	3,149,247
Amortization (Schedule 11)	-	694,022	676,035
	4,802,514	7,037,833	8,799,449
Current surplus (deficit)	236,666	226,082	(91,893)
Accumulated operating surplus - Beginning of the year	2,272,571	2,272,571	2,364,464
Accumulated operating surplus - End of the year	\$ 2,509,237	\$ 2,165,322	\$ 2,272,571
Expense by object disclosure (Note 16)			

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

Nekaneet First Nation

Consolidated Statement of Remeasurement Gains and Losses For the Year Ended March 31, 2024

	2023	
	2024	(Restated - see note [27])
Accumulated remeasurement losses at the beginning of the year	\$ 333,333	\$ -
Unrealized losses attributable to:		
Portfolio investments	-	333,333
Net remeasurement losses for the year	-	333,333
Accumulated remeasurement losses at the end of the year	\$ 333,333	\$ 333,333

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

Nekaneet First Nation

Consolidated Statement of Changes in Net Debt For the Year Ended March 31, 2024

	2024 Budget	2024	2023 (Restated - see note [27])
Current surplus (deficit)	\$ (13,334)	\$ 226,082	\$ (91,893)
Amortization of tangible capital assets	-	694,022	676,034
Acquisition of tangible capital assets	-	(1,472,287)	(750,647)
Change in prepaid expenses	-	(9,550)	-
Net remeasurement losses	-	-	(333,333)
Change in net assets (debt) during the year	(13,334)	(561,734)	(499,839)
Net debt - Beginning of year	-	(6,275,867)	(5,776,028)
Net debt - End of year	\$ (13,334)	\$ (6,837,601)	\$ (6,275,867)

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

Nekaneet First Nation

Consolidated Statement of Cash Flows For the Year Ended March 31, 2024

	2024	2023 (Restated - see note [27])
CASH FLOWS FROM OPERATING ACTIVITIES:		
Current surplus (deficit)	\$ 226,082	\$ (91,893)
Non-cash items:		
Amortization	694,022	676,034
Change in working capital items:		
Trust funds held by Federal Government	(71,661)	(10,598)
Accounts receivable	(2,064,017)	109,428
Due from related parties	(24,573)	(151,800)
Accounts payable	1,559,643	(172,343)
Unexpended revenue	2,297,557	716,147
Prepaid expenses	(9,550)	-
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	2,607,503	1,074,975
CASH FLOWS FROM INVESTING ACTIVITIES:		
Restricted assets	(40,225)	(121,941)
Earnings from Government Business Enterprises	(9,284)	(20,003)
Earnings from LP interests	2,407	(12,008)
Purchase of shares - Gensource Potash Corp.	-	(1,000,000)
NET CASH USED BY INVESTING ACTIVITIES	(47,102)	(1,153,952)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds of long term debt	140,000	1,000,000
Repayment of long term debt	(312,803)	(161,440)
NET CASH USED BY FINANCING ACTIVITIES	(172,803)	838,560
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Tangible capital assets additions	(1,472,287)	(750,647)
NET CASH USED BY CAPITAL ACTIVITIES	(1,472,287)	(750,647)
Net cash increase	915,311	8,936
Cash (bank indebtedness) at beginning of period	(104,372)	(113,308)
Cash (bank indebtedness) at end of period	\$ 810,939	\$ (104,372)

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

1. Significant Accounting Policies

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

The reporting entity Nekaneet First Nation is governed by elected officials from the Nekaneet First Nation.

a. Basis of Accounting

These financial statements have been prepared in accordance with CPA Canada Public Sector Accounting Standards prescribed for governments.

b. Reporting entity

The Nekaneet First Nation reporting entity includes the Nekaneet First Nation government and all related entities, which are accountable to the First Nation and are either owned or controlled by the First Nation.

c. 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:

Nekaneet First Nation - Operations
Nekaneet First Nation - CMHC Housing Fund

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 Nekaneet First Nation's investment in the government business enterprise or government business partnership and the enterprise's 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 Nekaneet First Nation. Entities recorded under the modified equity method include:

New Horizon First Nations Administration Inc.
Nekaneet First Nation Investment Holdings Ltd.
Nekaneet Management Ltd.
Nekaneet Holdings GP Ltd.
Keseechiwan Holdings LP
FHQTC Developments LP

d. 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 capital assets and prepaid expenses.

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

1. Significant Accounting Policies continued

e. 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.

f. Cash

Cash includes cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of 90 days or 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.

g. 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 First 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, 2024.

At each financial reporting date, the First 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 First 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.

It has been assessed by management that as at March 31, 2024 there was no liability.

h. 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 Nekaneet First Nation's incremental cost of borrowing.

Amortization is provided for over the estimated useful lives of the assets. No amortization is recorded in the year of acquisition.

Land
Houses

Non-depreciable
25 years Straight line

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

1. Significant Accounting Policies continued

h. Tangible capital assets continued

Buildings	25 years Straight line
Infrastructure & Roads	10 - 40 years Straight line
Furniture and Equipment	5 - 10 years Straight line
Machinery	15 years Straight line
Vehicles	4 - 10 years Straight line
Computers	3 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Nekaneet First 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 capital assets are recorded into revenue 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 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.

i. Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

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.

j. Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First 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.

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

1. Significant Accounting Policies continued

k. 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."

l. 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, the Ottawa Revenue Trust, File Hills Qu'Appelle Tribal Council, the Government of Saskatchewan, Canada Mortgage and Housing Corporation, and First Nations Trust 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, including administration fees, expense recoveries, interest, and rent are recorded when earned.

Earnings from government business enterprises and limited partnership 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.

m. 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.

n. Portfolio investments

Portfolio investments are accounted for at the lower of cost or market value. The market value of the first nation's portfolio of securities is determined based on the closing price reported on recognized securities exchanges and on over-the-counter markets. Such indicated market values do not necessarily represent the realizable value of the total holding of any security, which may be more or less than that indicated by market quotations.

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

1. Significant Accounting Policies continued

o. Pension plan

Nekaneet First Nation provides a defined contribution pension 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 by the employee.

p. 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 First 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. No assets under capital lease, or obligations under capital lease existed as of March 31, 2024.

q. Funds held in Ottawa Trust Fund

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

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

r. Other Economic Interests

The First Nation is a member of the File Hills Qu'Appelle Tribal Council (FHQTC). The File Hills Qu'Appelle Tribal Council is an organization of 11 nations.

The First Nation does not either share in the control or the profit or loss of File Hills Qu'Appelle Tribal Council. As a result, the financial statements of the FHQTC have not been consolidated or proportionately consolidated with the financial statements of Nekaneet First Nation.

2. Restricted Assets

The First Nation has received federal assistance through the CMHC, pursuant to Section 95 of the National Housing Act, to reduce mortgage interest and enable the First Nation to provide housing to members. The continuation of this interest rate reduction is contingent on the First 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 First Nation housing in future years.

The First 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-1997 program, which are to be set aside and used to

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

2. Restricted Assets continued

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:

	2024	2023
CMHC - Funded reserves	\$ 177,110	\$ 167,956
Funds held for Capital Projects	154,257	123,186
	\$ 331,367	\$ 291,142

3. Trust Funds held by Federal Government

	2024		2023	
	Revenue	Capital	Total	Total
Surplus, beginning of year	\$ 12,910	\$ 17,564	\$ 30,474	\$ 19,876
Lease revenue	171,100	-	171,100	172,266
Interest income	3,561	-	3,561	3,332
Withdrawals	(103,000)	-	(103,000)	(165,000)
	\$ 84,571	\$ 17,564	\$ 102,135	\$ 30,474

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.

Disbursements from the trust have been utilized as follows:

BCR#	Amount disbursed	Purpose of disbursement	Cost recorded
23-50380-1	\$ 103,000	Christmas celebration 2023	Band Programs - Salaries and benefits \$ 103,000

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

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2024

4. Accounts Receivable

Trade Receivables

	2024	2023
Trade accounts receivable	\$ 482,666	\$ 93,444
Sales tax receivable	13,399	10,341
Receivable from employees	11,721	9,194
	507,786	112,979
Allowance for doubtful accounts	(17,080)	(7,849)
	490,706	105,130

Due from government and other government organizations

Indigenous Services Canada	1,827,901	359,685
File Hills Qu'Appelle Tribal Council	200,788	19,584
Health Canada	27,556	2,984
CMHC - Subsidy	14,938	10,489
	2,071,183	392,742
	\$ 2,561,889	\$ 497,872

5. Due from Related Parties

Nekaneet First Nation conducts business transactions with New Horizon First Nations Administration and Nekaneet Management Ltd. These transactions are in the normal course of business for fair consideration that is mutually agreed upon by the related parties. The balance owing to the First Nation is non-interest bearing and not subject to fixed repayment terms.

	2024	2023
Due from New Horizon First Nations Administration	\$ 543,286	\$ 518,713

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

6. Limited Partnership Interests

The First Nation has an 8.3% interest in Keseechiwan Holdings LP and FHQTC Developments LP. Summarized financial information for the investments in government business partnerships for the year ended March 31 is as follows:

	Keseechiwan Holdings LP	FHQTC Developments LP	2024	Keseechiwan Holdings LP	FHQTC Developments LP	2023
Total assets	\$ 30,360,196	\$ 5,683,096	\$ 36,043,292	\$ 31,578,949	\$ 5,454,426	\$ 37,033,375
Total liabilities	25,373,009	530,010	25,903,019	26,866,025	272,448	27,138,473
Equity	4,987,187	5,153,086	10,140,273	4,712,924	5,181,978	9,894,902
	30,360,196	5,683,096	36,043,292	31,578,949	5,454,426	37,033,375
Revenue	3,778,281	2,255,653	6,033,934	3,522,008	2,753,524	6,275,532
Expenses	2,330,667	2,284,544	4,615,211	2,308,948	2,309,255	4,618,203
Net income (loss) for the year	\$ 1,447,614	\$ (28,891)	\$ 1,418,723	\$ 1,213,060	\$ 444,269	\$ 1,657,329

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

The First Nation's investment in Keseechiwan Holdings LP is written to \$1 as the First Nation has withdrawn more than their partner's capital. As a result, all withdrawals has been recognized as an income of the First Nation and their share of net income is not recorded. The First Nation's limited partnership interests in FHQTC Developments LP consist of the following:

	2024	2023
Balance, beginning of the year	\$ 431,658	\$ 419,650
Share of the earnings (loss)	(2,407)	37,008
Distributions received	-	(25,000)
	\$ 429,251	\$ 431,658

7. Portfolio Investments

The First Nation holds the following investments:

	2024	2024	2024	2023
	Units	Cost	Market Value	Market Value
Gensource Potash Corp	\$ 6,666,666	\$ 1,000,000	\$ 666,667	\$ 666,667

8. Bank Indebtedness

The First Nation has an approved operating line of credit with a limit of \$100,000 with Peace Hills Trust bearing interest at prime rate plus 2%. As at March 31, 2024, the draw on the line of credit is \$nil (2023 - \$nil). There were no outstanding cheques issued in excess of deposits (2023 - \$286,741).

The First Nation has no authorized overdraft protection with Bank of Montreal (BMO) general account, any amounts overdrawn bear interest at 21%. This account was not overdrawn in the current year (2023 - \$nil).

The First Nation has an approved operating line of credit with a limit of \$30,000 with Bank of Montreal (BMO) account bearing interest at prime rate plus 2.25%. The draw on the line of credit is \$30,203 (2023 - \$27,497).

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

9. Accounts Payable

	2024	2023
Trade accounts payable	\$ 1,877,636	\$ 349,425
Government remittance payable	33,545	-
Wages payable	7,229	9,341
	\$ 1,918,410	\$ 358,766

10. 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. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Unexpended funds" on the financial statements.

	Balance, beginning of the year	Contributions received	Amount recognized	2024
ISC Capital funding				
Fire Hall, Truck & Equipment	\$ -	\$ 153,946	\$ (29,069)	\$ 124,877
Small Water Systems Upgrade	61,388	5,000	(31,711)	34,677
School Renovations	84,937	-	(50,815)	34,122
	146,325	158,946	(111,595)	193,676
ISC Funding				
Gas Station and Convenience *	-	1,000,000	-	1,000,000
Housing Budget 2022 Construction	322,976	370,859	(228,000)	465,835
FNCFS ON-RES O&M Housing	-	337,971	-	337,971
Renovations - Immediate Needs	203,872	91,016	(14,036)	280,852
Nekaneet Capacity Building Water	261,273	-	(40,376)	220,897
Water Systems	137,823	160,910	(152,175)	146,558
Wastewater systems	92,463	93,200	(61,344)	124,319
Roads and Bridges	67,588	114,334	(68,680)	113,242
Band Based Capital	-	97,281	(5,002)	92,279
Basic Needs	91,069	276,711	(276,377)	91,403
ESA Steps 5-6	-	75,000	-	75,000
Employment & Training	37,511	36,649	(7,153)	67,007
PROV/PRIVATE STD Suppr	20,872	86,554	(43,649)	63,777
P&ID Portal Training	-	60,000	-	60,000

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

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2024

10. Unexpended Revenue continued

	Balance, beginning of the year	Contributions received	Amount recognized	2024
Special needs	3,009	27,723	12,179	42,911
Post Secondary Education	25,907	226,794	(213,603)	39,098
Institutional Care	30,613	16,728	(17,532)	29,809
PROV/PRIVATE Admin 2nd Level	597	31,428	(3,046)	28,979
Emergency Preparedness	-	50,000	(25,150)	24,850
FNCFS Poverty	-	24,117	-	24,117
Closing the Infrastructure Gap	25,000	-	(1,929)	23,071
P&ID Community Navigator	-	63,000	(42,095)	20,905
COVID-19 OSR COM SERV FN	-	-	20,486	20,486
Housing Capacity	39,845	43,050	(65,164)	17,731
JP Education Cultural Liaison	10,602	12,375	(7,551)	15,426
FN School Adult Education	8,335	16,391	(11,955)	12,771
Cost Capacity - Building	-	-	11,122	11,122
Student Transportation	39,159	98,904	(132,622)	5,441
Home Care	-	23,849	(18,913)	4,936
FNCFS Emergency	-	4,420	-	4,420
FNCFS Operations	-	24,310	(20,204)	4,106
Summer Work Experience - COVID-19	27,504	-	(23,905)	3,599
Pension Plan Admin - Non-Stat	-	3,409	(2,734)	675
Basic needs - COVID-19	14,683	-	(14,683)	-
COVID 19 ICSF4 EMAP	17,571	-	(17,571)	-
COVID-19 ICSF 3 Food Security	4,656	-	(4,656)	-
Special needs - COVID-19	3,945	-	(3,945)	-
Skills Link	25,737	-	(25,737)	-
FNCFS Prevention	24,219	481,863	(506,082)	-
Community Buildings	10,675	118,301	(128,976)	-
Economic Development - Gas Bar Business Plan & Engineering	9,353	-	(9,353)	-
Waste Diversion Program Water Diversion - Recycle Waste Project	6,248	70,635	(76,883)	-
FN School Protect Formula	1,831	-	(1,831)	-
Electrical Systems	1,063	2,126	(3,189)	-
Summer Work Experience Program	33,657	-	(33,657)	-
	1,599,656	4,139,908	(2,265,971)	3,473,593

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

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2024

10. Unexpended Revenue continued

	Balance, beginning of the year	Contributions received	Amount recognized	2024
FNIHB Funding				
CDCM - Public Health Nurse & CHR	66,033	5,590	(268)	71,355
MT One Time Vehicle	7,185	52,400	(16,300)	43,285
Mental Wellness	78,657	201,701	(239,889)	40,469
Medical Transportation - Admin	28,247	45,900	(35,145)	39,002
Health Station Minor Capital HVAC & Electrical	-	198,550	(175,865)	22,685
Capital Investments	16,405	30,000	(24,504)	21,901
CDE Planning & Response	10,674	6,841	(684)	16,831
Health Infrastructure - Connectivity & Maintenance	10,620	12,790	(11,250)	12,160
CHR	2,012	33,270	(24,744)	10,538
Child Oral Health Initiative	-	9,403	-	9,403
TB Prevention and Promotion	3,847	2,945	1,797	8,589
Canadian Prenatal Nutrition Program	6,816	6,048	(7,588)	5,276
Jordan's Principle - Youth Workers	10,823	-	(5,603)	5,220
Fetal Alcohol Spectrum Disorder	4,300	3,000	(3,270)	4,030
HIV/AIDS Prevention Promotion & Education	-	-	546	546
COVID-19 Health Facility	8,169	-	(8,169)	-
Health Research & Engagement	6,912	4,843	(11,755)	-
JP Cultural Support - Horse Program	554	-	(554)	-
	261,254	613,281	(563,245)	311,290
Other Funding				
FSIN - Daycare	-	427,091	(204,311)	222,780
FSIN - Aboriginal Head Start	-	237,776	(184,938)	52,838
FSIN Indian Residential School	-	51,420	(12,663)	38,757
CFS Capacity Building	-	33,369	(17,292)	16,077
FHQ - Parent Mentor	6,180	14,965	(19,184)	1,961
	6,180	764,621	(438,388)	332,413
	\$ 2,013,415	\$ 5,676,756	\$ (3,379,199)	\$ 4,310,972

*The \$1,000,000 for the Gas Station and Convenience remains receivable from ISC as at March 31, 2024.

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

11. Long-term Debt

	2024	2023
Peace Hills Trust loan bearing interest at 7.45% per annum, repayable in monthly principal and interest payments of \$23,675 and quarterly principal payments of \$23,675. The loan matures on January 1, 2025 and is secured by GSA, ISC, FNT & FNGST.	\$ 1,864,651	\$ 2,346,389
Bank of Montreal loan bearing interest at prime plus 2.00% per annum, repayable in monthly interest only payments and yearly principal payments of \$91,677. The loan matures on December 31, 2038 and is secured by Band Council Resolution authorizing the loan. No principal payment was made during the year, however, the loan remains uncalled.	1,283,342	1,283,342
Peace Hills Trust loan bearing interest at 7.45% per annum, repayable in monthly principal and interest payments of \$6,220. The loan matures on January 1, 2027 and is secured by GSA, ISC, FNT & FNGST.	130,009	-
Bank of Montreal loan bearing interest at prime plus 2.00% per annum, repayable in monthly payments of \$8,675. The loan matures on March 30, 2030 and is secured by Band Council Resolution authorizing the loan.	60,723	60,723
	3,338,725	3,690,454
CMHC Mortgages		
CMHC Phase 10, repayable at \$1,101/month including interest at 0.75%. The mortgage term expires February 1, 2025.	12,070	25,142
CMHC Phase 11, repayable at \$1,450/month including interest at 4.64%. The mortgage term expires May 1, 2027.	51,198	65,954
CMHC Phase 12, repayable at \$1,493/month including interest at 1.30%. The mortgage term expires April 1, 2026.	111,632	127,982
CMHC Phase 13, repayable at \$2,788/month including interest at 4.49%. The mortgage term expires October 1, 2028.	260,671	283,290
CMHC Phase 14, repayable at \$2,521/month including interest at 3.84%. The mortgage term expires April 1, 2029.	346,930	366,669
CMHC Phase 15, repayable at \$2,150/month including interest at 2.27%. The mortgage term expires April 1, 2027.	292,023	310,978
CMHC Phase 16, repayable at \$2,712/month including interest at 3.12%. The mortgage term expires April 1, 2028.	371,000	386,583
	1,445,524	1,566,598
	\$ 4,784,249	\$ 5,257,052

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

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2024

11. Long-term Debt continued

Assuming renewal on comparable terms, principal payments required on long term debt for the next five years and thereafter are as follows:

	Bank debt & financing contracts	CMHC Mortgages	Total
2025	\$ 621,274	\$ 127,993	\$ 749,267
2026	332,661	115,900	448,561
2027	283,841	119,801	403,642
2028	297,987	108,901	406,888
2029	313,224	109,564	422,788
Subsequent	1,489,738	863,365	2,353,103
	\$ 3,338,725	\$ 1,445,524	\$ 4,784,249

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

12. Loss in Government Business Enterprises

Government business enterprises are those organizations that meet the definition of government business enterprises as described by Public Sector Accounting Standards of CPA Canada. Government business enterprises 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 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. The First Nation owns a 100% interest in New Horizon First Nations Administration Inc., Nekaneet Management Ltd., and Nekaneet Holdings GP Ltd. (year end - December 31), and Nekaneet First Nation Investment Holdings Ltd. (year end - March 31). Summarized financial information for the investments in government business enterprises as at their individual year ends is as follows:

	New Horizon First Nations Administration Inc.	NFN Investment Holdings Ltd.	Nekaneet Management Ltd.	Nekaneet Holdings GP Ltd.	2024	New Horizon First Nations Administration Inc.	NFN Investment Holdings Ltd.	Nekaneet Management Ltd.	Nekaneet Holdings GP Ltd.	2023
Cash	\$ 148,111	\$ -	\$ 27,281	\$ -	\$ 175,392	\$ 81,259	\$ -	\$ 43,308	\$ -	\$ 124,567
Other Assets	202,102	10	23,600	100	225,812	193,678	127	9,640	100	203,545
	350,213	10	50,881	100	401,204	274,937	127	52,948	100	328,112
Liabilities	1,650,029	-	18,101	2,578	1,670,708	1,574,753	-	30,868	1,278	1,606,899
Equity	(1,299,816)	10	32,780	(2,478)	(1,269,504)	(1,299,816)	127	22,080	(1,178)	(1,278,787)
	350,213	10	50,881	100	401,204	274,937	127	52,948	100	328,112
Revenue	322,053	(117)	26,165	-	348,101	1,007,759	(689)	89,421	-	1,096,491
Expenses	(217,755)	-	(11,465)	(1,300)	(230,520)	(877,959)	-	(26,135)	(1,278)	(905,372)
Net income (loss) before other items	104,298	(117)	14,700	(1,300)	117,581	129,800	(689)	63,286	(1,278)	191,119
Other items	(104,298)	-	-	-	(104,298)	(129,800)	-	-	-	(129,800)
Net income (loss)	\$ -	\$ (117)	\$ 14,700	\$ (1,300)	\$ 13,283	\$ -	\$ (689)	\$ 63,286	\$ (1,278)	\$ 61,319

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

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2024

12. Loss in Government Business Enterprises continued

The First Nation's government business enterprises consist of the following:

	New Horizon First Nations Administration Inc.	NFN Investment Holdings Ltd.	Nekaneet Management Ltd.	Nekaneet Holdings GP Ltd.	2024	New Horizon First Nations Administration Inc.	NFN Investment Holdings Ltd.	Nekaneet Management Ltd.	Nekaneet Holdings GP Ltd.	2023
Balance, beginning of the year	\$ (1,299,816)	\$ 127	\$ 22,080	\$ (1,178)	\$ (1,278,788)	\$ (1,299,816)	\$ 825	\$ 32,904	\$ 100	\$ (1,265,988)
Share of earnings	-	(117)	14,700	(1,300)	13,283	-	(698)	63,286	(1,278)	61,310
Distribution received	-	-	(4,000)	-	(4,000)	-	-	(74,110)	-	(74,110)
	\$ (1,299,816)	\$ 10	\$ 32,780	\$ (2,478)	\$ (1,269,504)	\$ (1,299,816)	\$ 127	\$ 22,080	\$ (1,178)	\$ (1,278,788)

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

13. Tangible Capital Assets

March 31, 2024	Land	CMHC Houses	First Nation Houses	Buildings	Infrastructure & Roads	Furniture & Equipment	Machinery	Vehicles	Computers	Assets under construction	Total
Cost											
Balance, beginning of year	\$ 1,402,971	\$ 3,530,984	\$ 2,592,200	\$ 6,544,719	\$ 2,159,297	\$ 832,395	\$ 191,063	\$ 704,318	\$ 14,117	\$ 692,944	\$ 18,665,008
Additions	-	3,000	-	-	27,765	-	-	-	-	1,441,522	1,472,287
Transfers	-	437,912	-	-	-	-	-	-	-	(437,912)	-
Balance, end of year	1,402,971	3,971,896	2,592,200	6,544,719	2,187,062	832,395	191,063	704,318	14,117	1,696,554	20,137,295
Accumulated amortization											
Balance, beginning of year	-	2,247,493	522,265	5,956,004	526,796	598,964	46,212	538,855	13,311	-	10,449,900
Amortization	-	141,239	103,688	261,789	55,325	59,759	12,738	58,678	806	-	694,022
Balance, end of year	-	2,388,732	625,953	6,217,793	582,121	658,723	58,950	597,533	14,117	-	11,143,922
Net Book Value, end of Year	1,402,971	1,583,164	1,966,247	326,926	1,604,941	173,672	132,113	106,785	-	1,696,554	8,993,373
March 31, 2023											
Cost											
Balance, beginning of year	1,402,971	3,199,881	2,592,200	6,544,719	2,098,346	694,561	191,063	661,461	14,117	515,042	17,914,361
Additions	-	-	-	-	60,951	137,834	-	42,857	-	509,005	750,647
Transfers	-	331,103	-	-	-	-	-	-	-	(331,103)	-
Balance, end of year	1,402,971	3,530,984	2,592,200	6,544,719	2,159,297	832,395	191,063	704,318	14,117	692,944	18,665,008
Accumulated amortization											
Balance, beginning of year	-	2,119,499	418,577	5,694,215	473,689	564,158	33,475	459,992	10,261	-	9,773,866
Amortization	-	127,994	103,688	261,789	53,107	34,806	12,737	78,863	3,050	-	676,034
Balance, end of year	-	2,247,493	522,265	5,956,004	526,796	598,964	46,212	538,855	13,311	-	10,449,900
Net Book Value, end of year	\$ 1,402,971	\$ 1,283,491	\$ 2,069,935	\$ 588,715	\$ 1,632,501	\$ 233,431	\$ 144,851	\$ 165,463	\$ 806	\$ 692,944	\$ 8,215,108

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

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2024

14. Accumulated Surplus

	2024	2023
Equity in capital assets	\$ 3,229,523	\$ 3,258,056
CMHC replacement reserves	433,977	411,582
CMHC operating reserve	174,977	185,169
Equity in investments	173,586	180,463
Accumulated remeasurement losses	(333,333)	(333,333)
Operating fund	(1,513,408)	(1,762,699)
	<u>\$ 2,165,322</u>	<u>\$ 1,939,238</u>

- The operating fund reports on the general activities of the First 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 First Nation; and
- The CMHC reserves are replacement and operating reserves required to be funded for future housing replacements, as per agreements with CMHC.

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

15. Reconciliation of ISC Revenue

ISC revenue consists of the following:

	2024	2023
ISC - Flexible Contribution	\$ 2,942,770	\$ 2,521,078
ISC - Fixed Contribution	2,512,057	2,288,324
ISC - Grant	264,254	250,697
ISC - Set contribution	136,431	295,335
Receivable (payable) to ISC	(8,100)	-
	\$ 5,847,412	\$ 5,355,434

The following is a reconciliation of the funds received from ISC:

	2024	2023
Balance received per ISC confirmation	\$ 5,855,512	\$ 5,355,434
Current year payable		
MT - Client Insured Serv.	(8,100)	-
	\$ 5,847,412	\$ 5,355,434

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

16. Expenses by Object

	2024	2024	2023
	Budget	Actual	Actual
Salaries and benefits	\$ 1,262,762	\$ 1,707,580	\$ 1,578,217
Contracted Services	275,004	1,674,052	1,977,989
Professional fees	378,588	882,519	655,910
Amortization	-	694,022	676,034
Student Tuition & Allowances	431,152	551,102	633,611
Activities	413,694	510,715	1,247,709
Utilities	228,160	380,177	404,706
Interest and bank charges	468,034	318,186	234,677
Assistance	210,229	307,653	523,157
Social Assistance	210,522	247,321	147,804
Insurance	80,319	238,136	134,974
Travel	122,596	224,244	306,843
Equipment Purchase	-	174,465	237,632
Repairs and maintenance	276,980	165,971	160,787
Admin fees	207,671	162,222	247,192
Supplies	120,496	158,641	273,029
Meetings & workshops	116,307	97,537	109,827
Total expenses before transfers	4,802,514	8,494,543	9,550,098
Transfer to capital assets	-	(1,456,710)	(750,648)
	\$ 4,802,514	\$ 7,037,833	\$ 8,799,450

17. CMHC Housing Restricted Funds

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 \$27,420 (2023 - \$20,820) to the reserve. At March 31, 2024, the reserve is required to be funded to a level of \$433,977 (2023 - \$411,582). At March 31, 2024, the cash balance in the reserve is \$177,109 (2023 - \$167,956).
- An operating surplus reserve established for housing units under the Post 1997 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, 2024, the reserve is required to be funded to a level of \$174,977 (2023 - \$185,170). At March 31, 2024, the cash balance in the reserve is \$37,115 (2023 - \$114,053).

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.

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

18. Contingent Liabilities

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

In addition, in the normal course of its operations, Nekaneet First 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 Nekaneet First Nation's financial statements.

The First Nation is contingently liable for a loan of New Horizon First Nations Administration Inc. with Peace Hills Trust. At March 31, 2024, there was an outstanding balance of \$851,133 (2023 - \$891,915).

19. Trusts Under Administration

Nekaneet First Nation holds assets in trust as a result of a settlement claim with Canada. These assets are managed by a corporate trustee and are not included on the statement of financial position as assets of the First Nation. Amounts held in trust at year end are the following:

	December 31, 2023	December 31, 2022
Nekaneet Treaty Benefits Claims Trust	\$10,874,896	\$ 10,745,635

20. Economic Dependence

Nekaneet First Nation receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada.

21. ISC Funding

The First 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.

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

21. ISC Funding continued

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.

22. Segmented Information

As previously discussed in note 1 (j) the First Nation conducts its business through reportable segments as follows:

1 - Indigenous Services Canada (ISC)

Community Development: Costs to acquire, construct, operate and maintain 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.

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

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

22. Segmented Information continued

support and training to students and school staff.

Indigenous Government Support: 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 member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

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

Registration and Membership: Cost associated with the maintenance of the Indian Register, a record of everyone who is registered as a member of the First Nation under the Indian Act.

Governance and Institutions: Costs associated with Governance and Institution of Government activities.

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 - Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, Community Development Account, 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.

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

23. Pension Plan

The Nekaneet First Nation and eligible employees participate in a defined contribution pension plan.

The Nekaneet First Nation financial obligation is limited to providing contributions at a specific rate in respect of employees' current service. Information regarding contributions to the above mentioned pension plans is as follows:

	2024	2023
Employee contribution rate (percentage of salary)	5.0%-9.0%	5.0%-9.0%
Employer contribution rate (percentage of salary)	5.0%-9.0%	5.0%-9.0%

During the year, the Nekaneet First Nation contributed \$18,765 (2023 - \$15,604) to the pension plan.

24. Annual Surplus Net of Capital Related Revenues and Amortization

	2024	2023
Current Surplus (deficit)	\$ 226,082	\$ (91,893)
Less capital related revenues included in annual surplus:		
Federal government transfers recognized	(107,647)	(76,014)
	118,435	(167,907)
Less: Limited Partnership Earnings (loss)	2,407	(37,008)
Add amortization expense included in annual surplus	694,022	676,034
	\$ 814,864	\$ 471,119

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

Nekaneet First Nation

Notes to the Financial Statements For the Year Ended March 31, 2024

25. Financial Instruments

The First Nation, as part of its operations, carries a number of financial instruments. Financial assets include cash, restricted cash, trust funds held by the Federal Government, accounts receivable, due from related parties, limited partnership interests, and portfolio investments and are measured at amortized cost as presented on the consolidated statement of financial position, except for the trust funds held by the Federal Government and portfolio investments which are measured at fair value, and limited partnership interests, which are measured using the modified equity method.

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

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

Interest rate risk

The First Nation is exposed to interest rate cash flow risk to the extent that its loans payable are at a floating rate of interest. The First 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 First Nation maintains a portion of its invested assets in liquid securities.

Market risk

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

26. Budgeted Figures

Budgeted figures are unaudited and have been provided for comparison purposes and have been derived from the budget approved by the Nekaneet First Nation's Chief and Council on March 31, 2024.

27. Prior Period Adjustments

The First Nation has adjusted its comparative financial information as at and for the year ended March 31, 2023 due to the correction of the following:

Loss in Government Business Enterprises

During the year, it was determined that the investment in Nekaneet Management Ltd. was inaccurate as drawings from Nekaneet Management Ltd. were not recorded.

As a result, the following consolidated financial statement items have been adjusted:

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

Nekaneet First Nation

Notes to the Financial Statements
For the Year Ended March 31, 2024

27. Prior Period Adjustments continued

	Previously Reported	Adjustments	2023 Restated
Consolidated Statement of Financial Position			
Loss in government business enterprises	\$ 1,175,531	\$ 103,257	\$ 1,278,788
Net Financial Debt	(6,172,610)	(103,257)	(6,275,867)
Accumulated surplus	2,375,828	(103,257)	2,272,571
Consolidated Statement of Operations			
Earnings in GBE	123,259	(61,949)	61,310
Other Revenue	1,859,632	(41,308)	1,818,324
Current surplus (deficit)	11,364	(103,257)	(91,893)
Accumulated surplus - End of the year	2,375,828	(103,257)	2,272,571
Consolidated Statement of Changes in Net Debt			
Current surplus (deficit)	11,364	(103,257)	(91,893)
Net debt - End of year	\$(6,172,610)	\$ (103,257)	\$(6,275,867)

28. Comparative Figures

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

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

Nekaneet First Nation

Schedule #1

Community Development

Schedule of Operations

For the Year Ended March 31, 2024

	2024	2024	2023
	Budget	Actual	Actual
Revenue			
ISC - Fixed Contribution	\$ 779,997	\$ 1,629,576	\$ 1,102,406
ISC - Flexible Contribution	297,652	1,215,812	780,803
ISC - Set contribution	-	-	110,109
File Hills Qu'Appelle Tribal Council	14,400	14,400	14,400
Other revenue	-	7,935	42,106
Canada Community Revitalization Fund	-	-	116,848
Recognition (deferral) of unexpended funding	-	(1,801,130)	(841,160)
	1,092,049	1,066,593	1,325,512
Expenses			
Contracted Services	96,500	424,104	472,889
Salaries and benefits	305,116	309,341	211,642
Utilities	124,322	175,958	146,249
Insurance	60,078	83,219	64,311
Admin fees	117,115	59,105	65,727
Repairs and maintenance	245,758	45,189	29,700
Supplies	32,957	26,940	110,881
Janitorial Services	30,000	20,791	12,475
Travel	6,500	20,085	26,300
Activities	-	5,000	-
Meetings & workshops	46,500	1,929	17,371
Interest and bank charges	-	270	270
Equipment Purchase	-	-	137,834
Assistance	28,500	-	5,991
Transfer to capital assets	-	(352,741)	(213,849)
	1,093,346	819,190	1,087,791
Current surplus	\$ (1,297)	\$ 247,403	\$ 237,721

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

Nekaneet First Nation

Schedule #2

Economic Development

Schedule of Operations

For the Year Ended March 31, 2024

	2024	2024	2023
	Budget	Actual	Actual
Revenue			
ISC - Fixed Contribution	\$ -	\$ -	\$ 155,488
File Hills Qu'Appelle Tribal Council	33,369	33,369	33,369
Recognition (deferral) of unexpended funding	-	(6,721)	-
	33,369	26,648	188,857
Expenses			
Professional fees	-	20,473	177,462
Travel	-	3,485	1,616
Admin fees	3,337	3,337	3,337
Contracted Services	30,032	-	32,438
Transfer to capital assets	-	-	(155,488)
	33,369	27,295	59,365
Current surplus (deficit)	\$ -	\$ (647)	\$ 129,492

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

Nekaneet First Nation

Schedule #3

Education

Schedule of Operations

For the Year Ended March 31, 2024

	2024	2024	2023
	Budget	Actual	Actual
Revenue			
ISC - Fixed Contribution	\$ 769,998	\$ 840,063	\$ 988,012
ISC - Flexible Contribution	12,375	12,375	50,112
Other revenue	-	2,200	-
Canada Heritage	-	-	300,000
Recognition (deferral) of unexpended funding	-	25,663	(22,674)
	782,373	880,301	1,315,450
Expenses			
Student Tuition & Allowances	431,152	551,102	620,786
Salaries and benefits	107,917	190,969	152,014
Assistance	129,780	125,628	98,940
Utilities	13,500	32,677	15,000
Supplies	42,173	29,002	21,951
Admin fees	18,928	14,203	68,481
Meetings & workshops	1,500	10,097	750
Travel	8,000	5,009	7,366
Repairs and maintenance	20,222	4,885	11,121
Insurance	750	697	697
Contracted Services	8,451	560	149,870
Activities	-	-	167,474
Professional fees	-	-	1,000
	782,373	964,829	1,315,450
Current surplus (deficit)	\$ -	\$ (84,528)	\$ -

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

Nekaneet First Nation

Schedule #4

Indigenous Government Support
Schedule of Operations
For the Year Ended March 31, 2024

	2024	2024	2023
	Budget	Actual	Actual
Revenue			
ISC - Grant	\$ 210,899	\$ 264,254	\$ 250,697
ISC - Flexible Contribution	5,902	12,958	5,884
Administrative Fees	163,994	175,332	120,126
Other revenue	-	14,511	35,796
	380,795	467,055	412,503
Expenses			
Salaries and benefits	339,163	332,262	353,843
Professional fees	190,000	257,941	244,918
Insurance	-	113,280	41,858
Travel	60,000	104,531	68,317
Supplies	6,000	28,890	12,077
Utilities	11,280	25,058	43,489
Contracted Services	-	19,859	23,000
Meetings & workshops	-	8,668	380
Interest and bank charges	12,554	5,657	11,331
Activities	-	4,500	1,500
Repairs and maintenance	-	3,378	893
	618,997	904,024	801,606
Current deficit	\$ (238,202)	\$ (436,969)	\$ (389,103)

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

Nekaneet First Nation

Schedule #5

Social Development

Schedule of Operations

For the Year Ended March 31, 2024

	2024	2024	2023
	Budget	Actual	Actual
Revenue			
ISC - Flexible Contribution	\$ 323,483	\$ 359,395	\$ 352,801
ISC - Fixed Contribution	37,418	37,418	37,418
ISC - Set contribution	16,728	16,728	16,728
Recognition (deferral) of unexpended funding	-	(55,236)	(61,898)
	377,629	358,305	345,049
Expenses			
Social Assistance	210,522	247,321	147,804
Utilities	58,000	65,924	74,723
Salaries and benefits	44,319	55,301	45,249
Activities	16,728	18,382	8,973
Meetings & workshops	30,000	7,780	4,720
Supplies	9,911	5,476	9,876
Travel	-	2,586	2,300
Contracted Services	4,500	800	14,815
Assistance	3,649	600	43,421
	377,629	404,170	351,881
Current surplus (deficit)	\$ -	\$ (45,865)	\$ (6,832)

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

Nekaneet First Nation

Schedule #6

Registration and Membership

Schedule of Operations

For the Year Ended March 31, 2024

	2024	2024	2023
	Budget	Actual	Actual
Revenue			
ISC - Fixed Contribution	\$ 5,000	\$ 5,000	\$ 5,000
Expenses			
Meetings & workshops	-	2,835	-
Salaries and benefits	5,000	1,331	4,269
Supplies	-	732	210
Admin fees	-	500	-
Travel	-	-	2,159
	5,000	5,398	6,638
Current surplus (deficit)	\$ -	\$ (398)	\$ (1,638)

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

Nekaneet First Nation

Schedule #7

Governance and Institutions

Schedule of Operations

For the Year Ended March 31, 2024

	2024	2024	2023
	Budget	Actual	Actual
Revenue			
ISC - Flexible Contribution	\$ 102,500	\$ 123,000	\$ 175,934
Recognition (deferral) of unexpended funding	-	(79,164)	79,750
	102,500	43,836	255,684
Expenses			
Contracted Services	-	29,701	53,370
Salaries and benefits	41,489	8,768	56,423
Admin fees	-	5,907	8,500
Travel	1,011	5,769	1,000
Assistance	-	5,100	28,359
Supplies	-	4,000	4,852
Utilities	-	2,727	7,401
Meetings & workshops	-	1,200	15,001
Activities	-	1,150	34,100
Professional fees	60,000	-	55,651
	102,500	64,322	264,657
Current deficit	\$ -	\$ (20,486)	\$ (8,973)

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

Nekaneet First Nation

Schedule #8

Health Services

Schedule of Operations

For the Year Ended March 31, 2024

	2024 Budget	2024 Actual	2023 Actual
Revenue			
ISC - Flexible Contribution	\$ 339,320	\$ 600,363	\$ 660,829
ISC - Set contribution	110,300	119,703	168,498
Receivable (payable) to ISC	-	(8,100)	-
Administrative Fees	27,633	30,477	42,377
File Hills Qu'Appelle Tribal Council	15,600	14,965	15,208
Recognition (deferral) of unexpended funding	-	(46,374)	40,498
	492,853	711,034	927,410
Expenses			
Salaries and benefits	207,585	181,605	311,681
Equipment Purchase	-	174,465	-
Activities	91,160	142,068	174,350
Travel	39,585	47,526	61,035
Admin fees	29,193	30,477	51,165
Contracted Services	46,021	30,320	200,272
Supplies	15,325	27,791	16,318
Utilities	15,659	22,614	19,909
Meetings & workshops	23,925	13,343	12,862
Assistance	3,500	11,530	4,077
Professional fees	12,000	10,175	12,325
Repairs and maintenance	5,000	5,885	46,331
Insurance	3,900	4,731	5,421
Transfer to capital assets	-	(200,368)	(42,857)
	492,853	502,162	872,889
Current surplus	\$ -	\$ 208,872	\$ 54,521

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

Nekaneet First Nation

Schedule #9

CMHC Operations

Schedule of Operations

For the Year Ended March 31, 2024

	2024	2024	2023
	Budget	Actual	Actual
Revenue			
Canada Mortgage and Housing	\$ 146,339	\$ 300,923	\$ 251,118
Expenses			
Contracted Services	-	751,600	276,391
Interest and bank charges	130,748	39,964	30,014
Insurance	15,591	33,143	20,554
Repairs and maintenance	-	17,782	3,067
Admin fees	-	15,593	13,638
Professional fees	-	8,000	8,000
Travel	-	899	250
Salaries and benefits	-	501	53,331
Supplies	-	-	46,874
Equipment Purchase	-	-	15,317
Utilities	-	-	428
Transfer to capital assets	-	(751,600)	(253,974)
	146,339	115,882	213,890
Current surplus (deficit)	\$ -	\$ 185,041	\$ 37,228

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

Nekaneet First Nation

Schedule #10

Band Programs
Schedule of Operations
For the Year Ended March 31, 2024

	2024	2024	2023
	Budget	Actual	Actual
Revenue			
ISC - Flexible Contribution	\$ 497,104	\$ 618,867	\$ 494,716
Other revenue	188,586	1,049,870	1,461,071
Federation of Sovereign Indigenous Nations	350,583	723,787	268,347
Community Development Account	-	368,434	286,942
First Nations Trust	(125,000)	284,132	215,438
Rebate Income	420,000	277,543	418,262
Ottawa Trust	-	174,661	175,598
Keseechiwan Holdings - monetary benefit	-	91,628	91,628
Government of Saskatchewan	45,000	59,584	52,329
Living Sky Community Development Corp	-	42,831	7,987
TC Keystone Pipeline LP	-	28,500	10,000
Earnings in Government Business Enterprises	-	13,283	61,310
File Hills Qu'Appelle Tribal Council	-	8,100	11,000
Limited Partnership Earnings (loss)	-	(2,407)	37,008
Unrealized gains/losses	-	-	(333,333)
Recognition (deferral) of unexpended funding	-	(333,920)	89,339
	1,376,273	3,404,893	3,347,642
Expenses			
Salaries and benefits	212,172	627,500	389,765
Professional fees	116,588	585,931	156,554
Contracted Services	59,500	396,318	742,469
Activities	305,805	339,616	861,312
Interest and bank charges	324,733	272,297	193,058
Assistance	44,800	164,795	342,369
Repairs and maintenance	6,000	88,853	69,675
Utilities	5,400	55,219	97,506
Meetings & workshops	14,381	51,685	58,744
Supplies	14,130	35,807	49,993
Travel	7,500	34,353	136,500
Admin fees	39,098	33,100	36,344
Insurance	-	3,065	2,133
Equipment Purchase	-	-	84,480
Student Tuition & Allowances	-	-	12,825
Transfer to capital assets	-	(152,000)	(84,480)
	1,150,107	2,536,539	3,149,247
Current surplus	\$ 226,166	\$ 868,354	\$ 198,395

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

Nekaneet First Nation

Schedule #11

Amortization
Schedule of Operations
For the Year Ended March 31, 2024

	2024	2024	2023
	Budget	Actual	Actual
Revenue			
Expenses			
Community Development	\$ -	\$ 462,262	\$ 432,478
CMHC	-	141,239	127,995
Band Programs	-	36,187	53,811
CMHC Operations	-	22,940	27,746
Education	-	19,828	19,828
Governance and Institutions	-	11,250	11,250
Indigenous Government Support	-	316	2,927
	-	694,022	676,035
Current deficit	\$ -	\$ (694,022)	\$ (676,035)

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