

Black River First Nation
Consolidated Financial Statements
March 31, 2022

Black River First Nation
Consolidated Financial Statements - Table of Contents
For the year ended March 31, 2022

| | Page |
|---|----------|
| Management's Responsibility | |
| Independent Auditor's Report | |
| Financial Statements | |
| Consolidated Statement of Financial Position | 1 |
| Consolidated Statement of Operations..... | 2 |
| Consolidated Statement of Accumulated Surplus..... | 3 |
| Consolidated Statement of Changes in Net Debt..... | 4 |
| Consolidated Statement of Cash Flows..... | 5 |
| Notes to the Consolidated Financial Statements..... | 6 |
| Schedules | |
| Schedule 1 - Consolidated Schedule of Tangible Capital Assets..... | 19 |
| Schedule 2 - Consolidated Schedule of Expenses by Object..... | 22 |
| Schedule 3 - Consolidated Summary Schedule of Segment Operations..... | 23 |
| Schedule 4 - Housing..... | 24 |
| Schedule 5 - Subsidized Housing..... | 25 |
| Schedule 6 - Community Wellness..... | 26 |
| Schedule 7 - Governance and Administration..... | 27 |
| Schedule 8 - Economic Development..... | 28 |
| Schedule 9 - Education..... | 29 |
| Schedule 10 - Community Infrastructure..... | 30 |
| Schedule 11 - Fundraising..... | 31 |
| Schedule 12 - Social..... | 32 |
| Schedule 13 - Economic Enterprises..... | 33 |

Management's Responsibility

To the Members of Black River First Nation:

The accompanying consolidated financial statements of Black River First Nation (the "First Nation") are the responsibility of management and have been approved by the Chief and Council.

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

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

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

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



Director of
Operations

MNP LLP

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Independent Auditor's Report

To the Members of Black River First Nation:

Opinion

We have audited the consolidated financial statements of Black River First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, accumulated surplus, changes in net debt and cash flows 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 consolidated financial position of the First Nation as at March 31, 2022, and the results of its consolidated operations, changes in its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 - Demand Loan Payable

We draw attention to Note 9 of the consolidated financial statements, which describes the effect of a demand loan taken by the First Nation in order to pursue a legal claim against the Government of Canada. The First Nation expects to settle this demand loan payable through funds obtained by either a successful legal settlement with the Government of Canada or through an insurance policy in the case of an unsuccessful legal settlement. No assets have been recorded in these consolidated financial statements with respect to potential future settlement proceeds. Our opinion is not modified in respect of this matter.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Winnipeg, Manitoba

May 3, 2023

MNP LLP

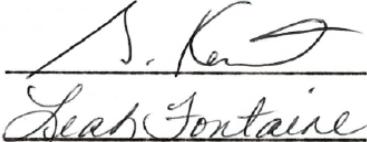
Chartered Professional Accountants

MNP
LLP

Black River First Nation
Consolidated Statement of Financial Position
As at March 31, 2022

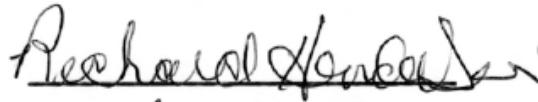
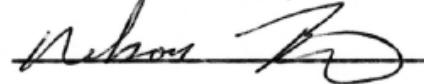
| | 2022 | 2021 |
|--|--------------------|-------------|
| Financial assets | | |
| Cash | 7,455,879 | 6,304,084 |
| Portfolio investments (Note 3) | 1,112,766 | 1,107,893 |
| Accounts receivable (Note 4) | 717,908 | 477,132 |
| Investment in South Beach Group of Partnerships (Note 5) | 3,027,750 | 1,822,577 |
| Restricted cash (Note 6) | 853,149 | 484,640 |
| | 13,167,452 | 10,196,326 |
| Liabilities | | |
| Accounts payable and accruals (Note 7) | 2,685,195 | 4,148,716 |
| Deferred revenue (Note 8) | 2,727,648 | 2,087,425 |
| Demand loan payable (Note 9) | 3,439,875 | 3,389,422 |
| Long-term debt (Note 10) | 13,027,768 | 6,193,709 |
| | 21,880,486 | 15,819,272 |
| Net debt | (8,713,034) | (5,622,946) |
| Contingencies (Note 11), (Note 12) | | |
| Non-financial assets | | |
| Tangible capital assets (Note 13) (Schedule 1) | 35,944,539 | 31,304,576 |
| Construction in progress (Note 14) | 1,757,222 | 560,182 |
| Prepaid expenses | 180,829 | 132,330 |
| | 37,882,590 | 31,997,088 |
| Accumulated surplus (Note 15) | 29,169,556 | 26,374,142 |

Approved on behalf of the Chief and Council


Leah Fontaine

Chief

Councillor


Richard K. Fontaine

Nelson P.

Councillor

Councillor

Black River First Nation
Consolidated Statement of Operations
For the year ended March 31, 2022

| | <i>Schedules</i> | 2022 Budget | 2022 | 2021 |
|---|------------------|------------------------|-------------------|-------------|
| Revenue | | | | |
| Indigenous Services Canada (ISC) (Note 16) | | 10,153,178 | 15,329,439 | 14,946,374 |
| Other revenue | | 929,856 | 1,200,621 | 824,465 |
| Assembly of Manitoba Chiefs | | - | 257,502 | 621,717 |
| Canada Mortgage and Housing Corporation | | 475,000 | 365,206 | 365,109 |
| Manitoba Justice | | - | 58,000 | 58,000 |
| Rent | | 68,560 | 333,884 | 175,817 |
| Tobacco tax rebates | | 190,000 | 215,376 | 193,704 |
| Manitoba Justice | | 58,000 | - | - |
| Revenue deferred in prior year (Note 8) | | - | 2,087,425 | 84,960 |
| Revenue deferred to subsequent year (Note 8) | | - | (2,727,648) | (2,087,425) |
| | | 11,874,594 | 17,119,805 | 15,182,721 |
| Segment expenses (Schedule 2) | | | | |
| Housing | 4 | 550,000 | 507,305 | 520,560 |
| Subsidized Housing | 5 | 640,000 | 839,285 | 708,063 |
| Community Wellness | 6 | 2,285,000 | 4,110,871 | 3,909,620 |
| Governance and Administration | 7 | 717,000 | 1,461,712 | 753,544 |
| Economic Development | 8 | 118,000 | 382,793 | 393,826 |
| Education | 9 | 4,014,000 | 4,573,882 | 5,603,451 |
| Community Infrastructure | 10 | 888,000 | 1,886,222 | 2,055,319 |
| Fundraising | 11 | 473,000 | 480,760 | 343,745 |
| Social | 12 | 1,396,000 | 1,249,765 | 1,403,777 |
| Economic Enterprises | 13 | - | 205,597 | 1,122 |
| | | 11,081,000 | 15,698,192 | 15,693,027 |
| Surplus (deficit) before other items | | 793,594 | 1,421,613 | (510,306) |
| Other income (expense) | | | | |
| Gain (loss) on investment in South Beach Group of Partnerships (Note 5) | | - | 1,373,801 | (687,645) |
| Surplus (deficit) | | 793,594 | 2,795,414 | (1,197,951) |

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

Black River First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2022

| | 2022 | 2021 |
|---|-------------------|-------------|
| Accumulated surplus, beginning of year | 26,374,142 | 27,572,093 |
| Surplus (deficit) | 2,795,414 | (1,197,951) |
| Accumulated surplus, end of year | 29,169,556 | 26,374,142 |

Black River First Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2022

| | 2022 Budget | 2022 | 2021 |
|---|------------------------|--------------------|-------------|
| Annual surplus (deficit) | 793,594 | 2,795,414 | (1,197,951) |
| Purchases of tangible capital assets | - | (7,122,304) | (2,440,738) |
| Amortization of tangible capital assets | - | 2,482,341 | 2,435,109 |
| | - | (4,639,963) | (5,629) |
| Cost of construction in progress | - | (1,197,040) | (560,182) |
| Acquisition of prepaid expenses | - | (180,829) | (132,330) |
| Use of prepaid expenses | - | 132,330 | 136,494 |
| | - | (1,245,539) | (556,018) |
| Decrease (increase) in net debt | 793,594 | (3,090,088) | (1,759,598) |
| Net debt, beginning of year | (5,622,946) | (5,622,946) | (3,863,348) |
| Net debt, end of year | (4,829,352) | (8,713,034) | (5,622,946) |

Black River First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

| | 2022 | 2021 |
|---|--------------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Cash receipts from contributors | 17,519,252 | 17,210,353 |
| Cash paid to suppliers | (11,083,408) | (7,918,682) |
| Cash paid to employees | (3,271,644) | (2,841,574) |
| Interest on long-term debt and demand loans | (372,819) | (171,688) |
| | 2,791,381 | 6,278,409 |
| Financing activities | | |
| Promissory note advance | 7,295,000 | - |
| Repayment of long-term debt | (460,941) | (400,216) |
| Advances of demand loan payable | 50,453 | 99,187 |
| | 6,884,512 | (301,029) |
| Capital activities | | |
| Purchases of tangible capital assets | (7,122,304) | (2,440,738) |
| Costs of construction in progress | (1,197,040) | (560,182) |
| | (8,319,344) | (3,000,920) |
| Investing activities | | |
| Proceeds from withdrawal of investment in South Beach Group of Partnerships | 168,628 | 211,832 |
| Change in restricted cash | (368,509) | 29,042 |
| Purchase of guaranteed investment certificates | - | (6,359) |
| Re-investment of interest earned on guaranteed investment certificates | (4,873) | - |
| Proceeds on disposal of guaranteed investment certificates | - | 1,000,000 |
| | (204,754) | 1,234,515 |
| Increase in cash resources | 1,151,795 | 4,210,975 |
| Cash resources, beginning of year | 6,304,084 | 2,093,109 |
| Cash resources, end of year | 7,455,879 | 6,304,084 |

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

1. Operations

Black River First Nation (the "First Nation") is located in the Province of Manitoba, and provides various services to its Members.

2. Significant accounting policies

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

Reporting entity

The Black River First Nation reporting entity includes the First Nation government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation. Trusts administered on behalf of third parties by Black River First Nation are excluded from the First Nation reporting entity.

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

- Black River Development Corporation
- Black River Land Development Ltd.

The First Nation has accounted for its investment in the South Beach Group of Partnerships according to the modified equity method.

All inter-entity balances and transactions have been eliminated on consolidation.

Basis of presentation

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

Cash

Cash includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Portfolio investments

Portfolio investments are recorded at the lower of cost and net realizable value.

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Net debt

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

Non-financial assets

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Construction in progress

Construction in progress consists of costs incurred on tangible capital asset construction not completed at the date of these consolidated financial statements. The First Nation includes interest charges on related construction financing in the capital cost of each project.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. The cost of a tangible capital asset that is acquired, constructed or developed over time includes carrying costs directly attributable to the acquisition, construction or development activity. The First Nation has elected to not capitalize interest costs on loan financing obtained in order to acquire, construct or develop a capital asset.

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

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

| | |
|-------------------------------|----------|
| Vehicles | 3 years |
| Roads | 40 years |
| Contractor equipment | 10 years |
| General equipment | 10 years |
| Furniture | 10 years |
| Buildings | 20 years |
| Infrastructure | 25 years |
| Housing and rental properties | 25 years |
| Land improvements | 15 years |
| Bridges | 20 years |
| Subsidized housing | 20 years |

Long-lived assets

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds the value of future economic benefits associated with the asset. Impairment is measured as the amount by which the assets' carrying value exceeds the residual value of the assets' service potential to the First Nation. Any impairment is included in operations for the year.

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Revenue recognition

Government transfers

Government transfer revenue, including but not limited to, Indigenous Services Canada (ISC) and Canada Mortgage and Housing Corporation (CMHC), is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is recognized in the year in which qualifying expenses have been incurred.

Gain (loss) from South Beach Group of Partnerships

The gain (loss) recognized from the South Beach Group of Partnerships is in accordance with the modified equity method of accounting for the investment and corresponds to the First Nation's proportionate share of the South Beach Group of Partnerships net surplus earned in the year ended March 31, 2022.

Other revenue

Rent and subsidy revenue are recognized on a monthly basis under terms of the agreement. Contract revenues are recognized when the services are provided and the collectability of proceeds is reasonably assured. Other revenue is recognized by the First Nation when services are provided or goods are shipped and collectable is reasonably assured.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where necessary. Portfolio investments are recorded at the lower of cost and net realizable value. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Segments

The First Nation conducts its business through 10 reportable segments as reported below. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

The First Nation's segments are as follows:

Housing - reports on activities related to developing and sustaining on-reserve housing

Subsidized Housing - reports on CMHC subsidized housing

Community Wellness - reports on health and wellness programs funded by Indigenous Services Canada

Governance and Administration - reports on governance and administration activities

Economic Development - reports on services that facilitate economic development

Education - reports on the operations of education programs

Community Infrastructure - includes activities for the development of the First Nation's infrastructure

Fundraising - reports on activities related to fundraising activities

Social - reports on social assistance programs

Economic Enterprises - reports on revenue and expenses associated with activities through controlled organizations

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the 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.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized are accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

The First Nation's accounting for contaminated sites is explained further in Note 11 and 12.

Employee future benefits

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

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

3. Portfolio investments

| | 2022 | 2021 |
|------------------------------------|------------------|-----------|
| Guaranteed Investment Certificates | 1,112,766 | 1,107,893 |

Guaranteed Investment Certificates include a \$1,087,766 (2021 - \$1,082,893) investment in a redeemable guaranteed investment certificate earning interest at 0.45% with a maturity date of February 12, 2023, and a \$25,000 (2021 - \$25,000) redeemable guaranteed investment certificate earning interest at 0.10% with a maturity date of June 25, 2022.

The First Nation is considered a beneficial owner of 12.5% of Shawano Wapunong Investments Corp. (the "Company"). The First Nation's investment in Shawano Wapunong Investments Corp. meets the definition of a portfolio investment. When the Company was established, 100% of the common shares of the Company were purchased by the Southeast Resource Development Council Corp. to be held in trust for the beneficial owners. As a result, the First Nation's cost associated with the investment is \$0 (2021 - \$0).

4. Accounts receivable

Funds held by Shawano Wapunong Investments Corp. are on deposit at an interest rate of 5% per annum. Shawano Wapunong Investments Corp. is owned by the eight Southeast First Nations in Manitoba and invests in commercial real estate in Winnipeg, Manitoba.

| | 2022 | 2021 |
|---|-----------------|----------|
| Indigenous Services Canada | 69,910 | 115,806 |
| Goods and Services Tax (GST) | 11,064 | 6,130 |
| Shawano Wapunong Investments Corp. | 82,686 | 74,582 |
| Members | 91,716 | 76,410 |
| Other | 523,650 | 211,818 |
| Canada Mortgage and Housing Corporation | 30,598 | 69,014 |
| Allowance for doubtful accounts (Members and Other) | (91,716) | (76,628) |
| | 717,908 | 477,132 |

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

5. Investment in the South Beach Group of Partnerships

The investment in the South Beach Group of Partnerships represents a one-seventh ownership interest in the following limited partnerships or companies:

1. South Beach Casino Limited Partnership

This limited partnership was formed to operate a casino and hotel on the Brokenhead Ojibway Nation land at Scanterbury, Manitoba. Black River First Nation's investment is equal to that of 6 other First Nation limited partners.

2. South Beach Capital Partners Limited Partnership

This limited partnership was formed to purchase an intellectual property and license agreement with South Beach Casino Limited Partnership from the previous holder of the agreement. The agreement expires in May 2028. The agreement allows the South Beach Capital Partnership Limited Partnership to charge license fees to the South Beach Casino Limited Partnership. Black River First Nation's investment is equal to that of 6 other First Nation limited partners.

3. SBCP Inc. and South Beach Casino Inc.

These companies are owned equally by 7 First Nations, including Black River First Nation. Their sole purpose is to act as the General Partner of the South Beach Capital Partners Limited Partnership and the South Beach Casino Limited Partnership, respectively.

4. South Beach Management Services Ltd.

This company is a wholly owned subsidiary company of the South Beach Capital Partners Limited Partnership. The company was established to provide management services to the South Beach Casino Limited Partnership.

| | South Beach Management Services Ltd. | South Beach Capital Partners Limited Partnership | SBCP Inc. and South Beach Casino Inc. | South Beach Casino Limited Partnership | 2022 | 2021 |
|----------------------------|--------------------------------------|--|---------------------------------------|--|------------------|------------------|
| Balance, beginning of year | (90,441) | (805,750) | 65 | 2,718,703 | 1,822,577 | 2,722,054 |
| Surplus (deficit) | 351,721 | (216,880) | (21) | 1,238,981 | 1,373,801 | (687,645) |
| Draws | - | - | - | (168,628) | (168,628) | (211,832) |
| | 261,280 | (1,022,630) | 44 | 3,789,056 | 3,027,750 | 1,822,577 |

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

6. Restricted cash

| | 2022 | 2021 |
|---|----------------|---------|
| Ottawa Trust | 36,432 | 34,827 |
| CMHC Replacement Reserve | 325,010 | 325,010 |
| First Nations Finance Authority debt reserve fund | 491,707 | 124,803 |
| | 853,149 | 484,640 |

Ottawa Trust

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

Capital Trust \$77 (2021 - \$77) (2022 interest revenue - \$0; 2021 interest revenue - \$0)

Revenue Trust \$36,354 (2021 - \$34,750) (2022 interest revenue - \$1,604; 2021 interest revenue - \$1,322)

CMHC Replacement Reserve

As required as part of the First Nation's CMHC Housing Program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreement with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

The First Nation is not in compliance with its agreement with CMHC. The agreement requires the First Nation to maintain a separate bank account or investments to fund the full amount of the CMHC replacement reserve. At year end, the required replacement reserve balance was \$434,065 (2021 - \$543,310), but the amount in the designated bank account was \$325,010 (2021 - \$325,010), representing an underfunded portion of \$109,055 (2021 - \$218,300).

CMHC Operating Surplus Reserve

As required as part of the First Nation's CMHC Housing Program, a separate bank account must be established when accumulated operating revenue exceeds accumulated operating expenses. Under the terms of the agreement with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

The First Nation is not in compliance with its agreement with CMHC. The agreement requires the First Nation to maintain a separate bank account or investments to fund the full amount of the CMHC operating surplus reserve. At year end, the required operating reserve balance was \$89,909 (2021 - \$124,378) but no separate bank account had been established.

First Nations Finance Authority debt reserve fund

Pursuant to the financing arrangement that the First Nation has entered into with First Nations Finance Authority, amounts are held in trust by the First Nations Finance Authority to cover any unexpected defaults in the required monthly loan payments. During the year, the First Nation earned interest of \$16,957 (2021 - \$1,077) on the cash restricted in this debt reserve fund.

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

7. Accounts payable and accruals

| | 2022 | 2021 |
|-----------------------------|------------------|-----------|
| Indigenous Services Canada | 23,076 | 26,314 |
| Other payables and accruals | <u>2,662,119</u> | 4,122,402 |
| | 2,685,195 | 4,148,716 |

8. Deferred revenue

| | 2022 | 2021 |
|---------------------------------------|------------------|-----------|
| Indigenous Services Canada | | |
| COVID-19 programs | 969,475 | 973,455 |
| Capacity development | 179,557 | 65,552 |
| Home care | 62,876 | - |
| Housing construction - 7 unit project | 365,551 | 945,418 |
| Housing construction - 6 unit project | 632,000 | - |
| Housing construction - major repairs | 330,705 | - |
| Jordan's Principle | 187,484 | 53,000 |
| Special claim submission | - | 50,000 |
| | 2,727,648 | 2,087,425 |

9. Demand loan payable

The First Nation's demand loan payable consists of an authorized loan to a maximum of \$4,669,000 which can only be used for specified purposes pertaining to a legal claim against the Government of Canada. The loan is secured by an assignment and redirection of \$4,669,000 from a successful legal settlement, a commercial litigation insurance policy, a security bond of indemnity and a general security agreement. The loan requires monthly payments of interest only at bank prime (2.45%) plus 0.50%.

The demand loan is repayable in full on the earlier of:

- a) receipt of funds pursuant to a settlement, judgement or order relating to the First Nation's claim or
- b) July 31, 2022 (subsequent to year-end, the loan terms were renewed to extend this date to July 4, 2025)

The First Nation expects to settle this demand loan payable through funds obtained by either a successful legal settlement with the Government of Canada or through an insurance policy in the case of an unsuccessful legal settlement. No assets have been recorded in these consolidated financial statements with respect to potential future settlement proceeds.

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

10. Long-term debt

| | 2022 | 2021 |
|--|-------------------|-----------|
| CMHC mortgage #1, with payments of \$1,615 per month including interest at 1.06%, maturing May 2025, with a scheduled renewal date of May 2025. | 60,335 | 78,992 |
| CMHC mortgage #2, with payments of \$2,319 per month including interest at 2.50%, maturing September 2027, with a scheduled renewal date of June 2023. | 142,875 | 166,819 |
| CMHC mortgage #3, with payments of \$3,699 per month including interest at 1.75%, maturing April 2029, with a scheduled renewal date of October 2024. | 295,587 | 334,455 |
| CMHC mortgage #4, with payments of \$1,815 per month including interest at 1.13%, maturing November 2030, with a scheduled renewal date of June 2026. | 179,749 | 199,550 |
| CMHC mortgage #5, with payments of \$6,012 per month including interest at 2.48%, maturing April 2033, with a scheduled renewal date of August 2023. | 698,890 | 753,055 |
| CMHC mortgage #6, with payments of \$1,928 per month including interest at 2.21%, maturing February 2034, with a scheduled renewal date of February 2024. | 242,244 | 259,835 |
| CMHC mortgage #7, with payments of \$1,791 per month including interest at 0.96%, maturing November 2034, with a scheduled renewal date of May 2026. | 256,331 | 275,273 |
| CMHC mortgage #9, with payments of \$1,894 per month including interest at 1.22%, maturing January 2036, with a scheduled renewal date of July 2026. | 289,218 | 308,342 |
| CMHC mortgage #10, with payments of \$3,366 per month including interest at 1.35%, maturing January 2037, with a scheduled renewal date of May 2022. | 542,909 | 575,755 |
| CMHC mortgage #11, with payments of \$2,834 per month including interest at 2.48%, maturing June 2038, with a scheduled renewal date of August 2023. | 454,924 | 477,408 |
| CMHC mortgage #12, with payments of \$1,251 per month including interest at 1.75%, maturing January 2039, with a scheduled renewal date of October 2024. | 218,798 | 229,886 |
| CMHC mortgage #13, with payments of \$3,718 per month including interest at 2.02%, maturing September 2041, with a scheduled renewal date of March 2027. | 719,150 | 793,097 |
| First Nations Finance Authority loan, with payments of \$6,148 per month including interest at 2.99%, maturing June 2035, with a scheduled renewal date of June 2024, secured by a first charge against particular non-government transfer revenue earned by the First Nation. | 798,540 | 847,065 |
| First Nations Finance Authority loan, with payments of \$6,070 per month including interest at 2.90%, maturing June 2036, with a scheduled renewal date of June 2024, secured by a first charge against particular non-government transfer revenue earned by the First Nation. | 847,065 | 894,177 |
| First Nations Finance Authority loan, with payments of \$111,614 due semi-annually including interest at 3.06%, maturing June 2032, with a scheduled renewal date of June 2024, secured by a first charge against particular non-government transfer revenue earned by the First Nation. | 7,281,153 | - |
| | 13,027,768 | 6,193,709 |

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

All CMHC mortgages are secured by Ministerial guarantee and assignment of fire insurance.

Subsequent to year-end, certain of the CMHC mortgages were subject to term renewals resulting in changes to required monthly payments and interest rates.

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

| | |
|------|-----------|
| 2023 | 460,000 |
| 2024 | 593,000 |
| 2025 | 602,000 |
| 2026 | 594,000 |
| 2027 | 584,000 |
| | <hr/> |
| | 2,833,000 |
| | <hr/> |

11. Contingencies

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. At year end, it was not yet determined to what extent any funding amounts related to the year ended March 31, 2022 might be recovered by these federal agencies.

At March 31, 2022, the First Nation has determined that some contaminated sites exist. However, no determination has been made as to whether the contamination exceeds an environmental standard that the First Nation is required to comply with. Also, the First Nation does not consider themselves to be responsible and have not accepted responsibility. As a result, no liability regarding the contaminated sites is recorded in these consolidated financial statements. If and when it is determined that a liability exists, the liability will be recorded in the period in which such a determination is made, in accordance with the accounting policy described in Note 2.

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

12. Compliance with laws and regulations

Black River First Nation Financial Administration Law

On January 15, 2015, the Chief and Council enacted the Black River First Nation Financial Administration Law (the "FAL") in order to govern the financial administration of the First Nation. Included in the FAL is a provision that the law will come into force exactly 36 months after the date in which the First Nation obtains loan financing from the First Nations Finance Authority. The First Nation obtained loan financing from the First Nations Finance Authority on July 23, 2015 and needed to comply by July 23, 2018. The First Nation is not in compliance with all of the requirements of the Finance Administration Law. The results of this non-compliance have not yet been determined.

First Nations Financial Transparency Act

The First Nation was required to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 29, 2022. Since the audit report date is dated after this date, the First Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined. The First Nation fully intends to post its consolidated financial statements on a website upon release of these consolidated financial statements.

The Manitoba Environmental Protection Act

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance.

As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end, the extent to which the First Nation is bound by environmental laws of The Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these consolidated financial statements.

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

13. Segment information on tangible capital assets

Tangible capital assets are assigned to the First Nation's segments in accordance with management's determination, as to the activities and services that will be facilitated as a result of ongoing ownership of the assets. The net book value of tangible capital assets assigned to each segment is as follows:

| | 2022 | 2021 |
|-------------------------------|-------------------|-------------|
| Subsidized Housing | 2,812,433 | 3,186,005 |
| Other Housing | 3,734,326 | 3,800,143 |
| Housing | 6,546,759 | 6,986,148 |
| Community Wellness | 149,988 | 84,613 |
| Education | 4,229,392 | 4,838,533 |
| Governance and Administration | 373,837 | 420,368 |
| Community Infrastructure | 17,977,275 | 18,974,914 |
| Economic Enterprises | 6,667,288 | - |
| | 35,944,539 | 31,304,576 |

14. Construction in progress

| | 2022 | 2021 |
|--------------------------------|------------------|-------------|
| 7 unit housing project | 1,140,049 | 580,182 |
| Cannabis project startup costs | 617,173 | - |
| | 1,757,222 | 580,182 |

15. Accumulated surplus

| | 2022 | 2021 |
|---|-------------------|-------------|
| Invested in tangible capital assets | 24,673,993 | 25,671,161 |
| First Nations Finance Authority Debt Reserve | 491,707 | 124,803 |
| Investment in South Beach Group of Partnerships | 3,027,750 | 1,822,577 |
| CMHC replacement reserve (required amount) | 434,065 | 543,310 |
| CMHC operating surplus (required amount) | 89,909 | 124,378 |
| Ottawa Trust | 36,432 | 34,827 |
| Accumulated costs of legal claim | (3,439,875) | (3,389,422) |
| Accumulated surplus from operations | 3,855,575 | 1,442,508 |
| | 29,169,556 | 26,374,142 |

Black River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

16. ISC revenue reconciliation

| | 2022 | 2021 |
|---|-------------------|-------------|
| ISC revenue per funding agreement | 15,329,439 | 14,946,374 |
| ISC revenue recognized in consolidated financial statements | 15,294,439 | 14,946,374 |

17. Related party transactions

Income from South Beach Group of Partnerships of \$1,373,801 (2021 - loss of \$687,845) was recognized from the Partnerships related to the First Nation as described in Note 5. During the year \$166,628 (2021 - \$221,832) was withdrawn by the First Nation.

The First Nation paid \$144,302 (2021 - \$127,516) to Moppa's Store in tobacco tax rebates, in accordance with an agreement entered into between the owner of the store and the Chief and Council. Moppa's Store is an on-reserve convenience store owned by the Chief of the First Nation.

These transactions were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

18. Economic dependence

The First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC"). The revenue is provided 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 First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

19. Defined contribution pension plan

The First Nation has a defined contribution pension plan which certain employees have subscribed to. The First Nation remits monthly contributions to the administrator of the plan and remittances were current at year-end.

20. Comparative figures

Certain of the prior year comparative figures have been reclassified to conform to current year presentation.

Black River First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2022

| | <i>Vehicles</i> | <i>Roads</i> | <i>Contractor equipment</i> | <i>General equipment</i> | <i>Furniture</i> | <i>Buildings</i> | <i>Subtotal</i> |
|--|-----------------|------------------|-----------------------------|--------------------------|------------------|------------------|------------------|
| Cost | | | | | | | |
| Balance, beginning of year | 1,143,577 | 3,464,849 | 525,312 | 79,269 | 987,189 | 16,441,995 | 22,642,191 |
| Acquisition of tangible capital assets | 185,849 | - | - | 81,167 | - | - | 267,016 |
| Balance, end of year | 1,329,426 | 3,464,849 | 525,312 | 160,436 | 987,189 | 16,441,995 | 22,909,207 |
| Accumulated amortization | | | | | | | |
| Balance, beginning of year | 1,013,757 | 1,194,185 | 525,312 | 79,269 | 983,005 | 8,695,786 | 12,491,314 |
| Annual amortization | 220,095 | 78,748 | - | 6,884 | 2,092 | 789,808 | 1,097,627 |
| Balance, end of year | 1,233,852 | 1,272,933 | 525,312 | 86,153 | 985,097 | 9,485,594 | 13,588,941 |
| Net book value of tangible capital assets | 95,574 | 2,191,916 | - | 74,283 | 2,092 | 6,956,401 | 9,320,266 |
| 2021 Net book value of tangible capital assets | 129,820 | 2,270,664 | - | - | 4,184 | 7,746,209 | 10,150,877 |

Black River First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2022

| | Subtotal | Infrastructure | Housing and rental properties | Land improvements | Bridges | Subsidized housing | Subtotal |
|--|------------------|-----------------------|--|------------------------------|----------------|-------------------------------|-------------------|
| Cost | | | | | | | |
| Balance, beginning of year | 22,642,191 | 19,433,629 | 6,162,240 | 188,261 | 1,019,700 | 8,221,597 | 57,667,618 |
| Acquisition of tangible capital assets | 267,016 | - | 188,000 | - | - | - | 455,016 |
| Balance, end of year | 22,909,207 | 19,433,629 | 6,350,240 | 188,261 | 1,019,700 | 8,221,597 | 58,122,634 |
| Accumulated amortization | | | | | | | |
| Balance, beginning of year | 12,491,314 | 5,419,034 | 2,362,097 | 188,261 | 866,744 | 5,035,592 | 26,363,042 |
| Annual amortization | 1,097,627 | 706,340 | 253,817 | - | 50,985 | 373,572 | 2,482,341 |
| Balance, end of year | 13,588,941 | 6,125,374 | 2,615,914 | 188,261 | 917,729 | 5,409,164 | 28,845,383 |
| Net book value of tangible capital assets | 9,320,266 | 13,308,255 | 3,734,326 | - | 101,971 | 2,812,433 | 29,277,251 |
| 2021 Net book value of tangible capital assets | 10,150,877 | 14,014,595 | 3,800,143 | - | 152,956 | 3,186,005 | 31,304,576 |

Black River First Nation
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended March 31, 2022

| | <i>Subtotal</i> | <i>Land</i> | 2022 | 2021 |
|---|-------------------|------------------|-------------------|-------------------|
| Cost | | | | |
| Balance, beginning of year | 57,667,618 | - | 57,667,618 | 55,226,880 |
| Acquisition of tangible capital assets | 455,016 | 6,667,288 | 7,122,304 | 2,440,738 |
| Balance, end of year | 58,122,634 | 6,667,288 | 64,789,922 | 57,667,618 |
| Accumulated amortization | | | | |
| Balance, beginning of year | 26,363,042 | - | 26,363,042 | 23,927,933 |
| Annual amortization | 2,482,341 | - | 2,482,341 | 2,435,109 |
| Balance, end of year | 28,845,383 | - | 28,845,383 | 26,363,042 |
| Net book value of tangible capital assets | 29,277,251 | 6,667,288 | 35,944,539 | 31,304,576 |
| 2021 Net book value of tangible capital assets | 31,304,576 | - | 31,304,576 | |

Black River First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2022

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Consolidated expenses by object | | |
| Amortization | 2,482,341 | 2,435,109 |
| Bad debts (recovery) | 15,088 | (1,931) |
| Bank charges and interest | 17,652 | 17,596 |
| Honourariums | 327,775 | 295,636 |
| Insurance | 182,145 | 162,061 |
| Interest on long-term debt | 372,819 | 171,688 |
| Member activities and disbursements | 410,472 | 272,935 |
| Professional fees | 534,607 | 188,291 |
| Property tax | 3,321 | - |
| Repairs and maintenance | 1,032,197 | 788,351 |
| Salaries and benefits | 3,271,644 | 2,841,574 |
| Social assistance | 1,218,019 | 1,368,239 |
| Student allowances | 135,394 | 120,687 |
| Supplies | 1,113,642 | 1,601,313 |
| Telephone | 50,024 | 36,500 |
| Tobacco tax transfers to private enterprises (Note 17) | 144,302 | 127,516 |
| Training | 129,998 | 130,120 |
| Travel | 703,496 | 607,407 |
| Tuition | 3,362,129 | 4,303,622 |
| Utilities | 191,127 | 226,313 |
| | 15,698,192 | 15,693,027 |

Black River First Nation
Schedule 3 - Consolidated Summary Schedule of Segment Operations
For the year ended March 31, 2022

| | Revenue | Expenses | 2022 Surplus (Deficit) | 2021 Surplus (Deficit) |
|-------------------------------------|-------------------|-------------------|-----------------------------------|-----------------------------------|
| Segments (schedules 4 to 13) | | | | |
| Housing | 1,104,787 | 507,305 | 597,482 | 363,907 |
| Subsidized Housing | 694,725 | 839,285 | (144,560) | (181,748) |
| Community Wellness | 5,898,106 | 4,110,871 | 1,787,235 | 1,035,080 |
| Governance and Administration | 503,542 | 1,461,712 | (958,170) | (284,470) |
| Economic Development | 201,176 | 382,793 | (181,617) | (94,390) |
| Education | 5,536,256 | 4,573,882 | 962,374 | (310,676) |
| Community Infrastructure | 957,873 | 1,886,222 | (928,349) | (1,070,835) |
| Fundraising | 1,980,605 | 480,760 | 1,499,845 | (758,375) |
| Social | 1,435,016 | 1,249,765 | 185,251 | 22,516 |
| Economic Enterprises | 181,520 | 205,597 | (24,077) | 81,040 |
| | 18,493,606 | 15,698,192 | 2,795,414 | (1,197,951) |

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

Black River First Nation
Housing
Schedule 4 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

| | 2022 | 2021 |
|-------------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 1,374,814 | 1,762,000 |
| Other revenue | 108,359 | 53,142 |
| Rent | 4,452 | 14,743 |
| Revenue deferred in prior year | 945,418 | - |
| Revenue deferred to subsequent year | (1,328,256) | (945,418) |
| | 1,104,787 | 884,467 |
| Expenses | | |
| Amortization | 251,927 | 240,625 |
| Honourariums | 1,300 | 475 |
| Insurance | - | 62,967 |
| Member activities and disbursements | - | 25,000 |
| Professional fees | 2,571 | 1,667 |
| Repairs and maintenance | 202,063 | 31,874 |
| Salaries and benefits | 16,638 | 6,634 |
| Supplies | 28,054 | 147,566 |
| Training | - | 492 |
| Travel | 4,385 | 1,022 |
| Utilities | 367 | 2,238 |
| | 507,305 | 520,560 |
| Surplus | 597,482 | 363,907 |

Black River First Nation
Subsidized Housing
Schedule 5 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

| | 2022 | 2021 |
|---|------------------|-------------|
| Revenue | | |
| Canada Mortgage and Housing Corporation | 365,206 | 365,109 |
| Rent | 329,432 | 161,074 |
| Other revenue | 87 | 132 |
| | 694,725 | 526,315 |
| Expenses | | |
| Amortization | 398,363 | 376,509 |
| Bank charges and interest | 382 | 251 |
| Insurance | 60,773 | 55,076 |
| Interest on long-term debt | 70,228 | 76,857 |
| Professional fees | 12,000 | 13,147 |
| Repairs and maintenance | 297,539 | 186,085 |
| Travel | - | 138 |
| | 839,285 | 708,063 |
| Deficit | (144,560) | (181,748) |

Black River First Nation
Community Wellness
Schedule 6 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

| | 2022 | 2021 |
|-------------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 5,668,209 | 5,184,155 |
| Assembly of Manitoba Chiefs | 257,502 | 621,717 |
| Other revenue | 163,280 | 145,875 |
| Revenue deferred in prior year | 1,092,007 | 84,960 |
| Revenue deferred to subsequent year | (1,282,892) | (1,092,007) |
| | 5,898,106 | 4,944,700 |
| Expenses | | |
| Amortization | 80,478 | 68,332 |
| Honourariums | 3,879 | 3,651 |
| Insurance | 17,443 | 30,426 |
| Member activities and disbursements | 237,414 | 149,302 |
| Professional fees | 14,842 | 4,490 |
| Repairs and maintenance | 389,279 | 343,121 |
| Salaries and benefits | 2,317,311 | 2,057,124 |
| Supplies | 675,034 | 955,002 |
| Telephone | 18,413 | 25,882 |
| Training | 94,549 | 112,039 |
| Travel | 211,248 | 140,260 |
| Utilities | 50,981 | 19,991 |
| | 4,110,871 | 3,909,620 |
| Surplus | 1,787,235 | 1,035,080 |

Black River First Nation
Governance and Administration
Schedule 7 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

| | 2022 | 2021 |
|-------------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 550,793 | 391,589 |
| Manitoba Justice | 58,000 | 58,000 |
| Other revenue | 11,249 | 19,485 |
| Revenue deferred to subsequent year | (116,500) | - |
| | 503,542 | 469,074 |
| Expenses | | |
| Amortization | 167,347 | 119,865 |
| Bad debts (recovery) | 15,088 | (1,931) |
| Bank charges and interest | 17,123 | 17,274 |
| Honourariums | 287,405 | 238,918 |
| Insurance | 5,932 | 5,000 |
| Professional fees | 479,281 | 94,046 |
| Repairs and maintenance | 10,278 | 7,653 |
| Salaries and benefits | 290,773 | 188,310 |
| Supplies | 78,007 | 22,144 |
| Telephone | 28,524 | 8,591 |
| Training | 7,861 | 1,520 |
| Travel | 74,093 | 52,154 |
| | 1,461,712 | 753,544 |
| Deficit | (958,170) | (284,470) |

Black River First Nation
Economic Development
Schedule 8 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

| | 2022 | 2021 |
|-------------------------------------|------------------|-----------------|
| Revenue | | |
| Other | 106,794 | 233,241 |
| Indigenous Services Canada | 94,382 | 66,195 |
| | 201,176 | 299,436 |
| Expenses | | |
| Honourariums | 985 | - |
| Member activities and disbursements | 1,255 | 8,846 |
| Professional fees | - | 47,281 |
| Repairs and maintenance | 29,324 | 23,612 |
| Salaries and benefits | 269,663 | 232,284 |
| Supplies | 52,528 | 67,456 |
| Telephone | 1,563 | 747 |
| Training | 11,905 | 4,320 |
| Travel | 15,570 | 6,282 |
| Utilities | - | 2,998 |
| | 382,793 | 393,826 |
| Deficit | (181,617) | (94,390) |

Black River First Nation
Education
Schedule 9 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

| | 2022 | 2021 |
|-------------------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 5,424,105 | 5,342,775 |
| Other revenue | 62,151 | - |
| Revenue deferred to subsequent year | - | (50,000) |
| Revenue deferred in prior year | 50,000 | - |
| | 5,536,256 | 5,292,775 |
| Expenses | | |
| Amortization | 609,141 | 623,626 |
| Honourariums | 757 | - |
| Professional fees | 9,281 | 2,055 |
| Repairs and maintenance | 10 | 11,765 |
| Salaries and benefits | 61,674 | 112,242 |
| Student allowances | 135,394 | 120,687 |
| Supplies | 40,072 | 29,500 |
| Telephone | 667 | 56 |
| Training | 7,913 | 11,749 |
| Travel | 340,411 | 380,613 |
| Tuition | 3,362,129 | 4,303,622 |
| Utilities | 6,433 | 7,536 |
| | 4,573,882 | 5,603,451 |
| Surplus (deficit) | 962,374 | (310,676) |

Black River First Nation
Community Infrastructure
Schedule 10 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

| | 2022 | 2021 |
|----------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 782,120 | 773,367 |
| Other | 175,753 | 211,117 |
| | 957,873 | 984,484 |
| Expenses | | |
| Amortization | 975,085 | 1,006,153 |
| Honourariums | 29,832 | 52,592 |
| Insurance | 93,484 | 647 |
| Professional fees | 3,655 | 2,240 |
| Repairs and maintenance | 103,703 | 184,241 |
| Salaries and benefits | 261,661 | 210,808 |
| Supplies | 226,369 | 377,569 |
| Telephone | 858 | 1,223 |
| Training | 2,700 | - |
| Travel | 55,527 | 26,298 |
| Utilities | 133,348 | 193,548 |
| | 1,886,222 | 2,055,319 |
| Deficit | (928,349) | (1,070,835) |

Black River First Nation
Fundraising
Schedule 11 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

| | 2022 | 2021 |
|--|------------------|-------------|
| Revenue | | |
| Tobacco tax rebates | 215,376 | 193,704 |
| Other | 391,428 | 79,311 |
| | 606,804 | 273,015 |
| Expenses | | |
| Honourariums | 3,617 | - |
| Insurance | 4,513 | 7,945 |
| Interest on long-term debt | 101,662 | 94,831 |
| Member activities and disbursements | 171,803 | 89,787 |
| Professional fees | 11,777 | 22,316 |
| Salaries and benefits | 22,635 | - |
| Supplies | 13,575 | 1,350 |
| Tobacco tax transfers to private enterprises | 144,302 | 127,516 |
| Training | 5,070 | - |
| Travel | 1,806 | - |
| | 480,760 | 343,745 |
| Surplus (deficit) before other items | 126,044 | (70,730) |
| Other income (expense) | | |
| Gain (loss) on investment in South Beach Group of Partnerships | 1,373,801 | (687,645) |
| Surplus (deficit) | 1,499,845 | (758,375) |

Black River First Nation
Social
Schedule 12 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

| | 2022 | 2021 |
|----------------------------|------------------|-------------|
| Revenue | | |
| Indigenous Services Canada | 1,435,016 | 1,426,293 |
| Expenses | | |
| Salaries and benefits | 31,290 | 34,172 |
| Social assistance | 1,218,019 | 1,368,239 |
| Supplies | - | 726 |
| Travel | 456 | 640 |
| | 1,249,765 | 1,403,777 |
| Surplus | 185,251 | 22,516 |

Black River First Nation
Economic Enterprises
Schedule 13 - Consolidated Schedule of Segment Operations
For the year ended March 31, 2022

| | 2022 | 2021 |
|----------------------------|-----------------|-------------|
| Revenue | | |
| Other revenue | 181,520 | 82,162 |
| Expenses | | |
| Bank charges and interest | 147 | 72 |
| Interest on long-term debt | 200,929 | - |
| Professional fees | 1,200 | 1,050 |
| Property tax | 3,321 | - |
| | 205,597 | 1,122 |
| Surplus (deficit) | (24,077) | 81,040 |