

BERENS RIVER FIRST NATION

Consolidated Financial Statements
For the year ended March 31, 2021

BERENS RIVER FIRST NATION

Consolidated Financial Statements

For the year ended March 31, 2021

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of **Berens River First Nation** and all the information in these consolidated financial statements are the responsibility of management and have been approved by the Chief and Council of **Berens River First Nation**. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depends on future events. The financial statements have been prepared by management within reasonable limits of materiality and within the framework of Canadian public sector accounting standards.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The **Berens River First Nation** Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

BDO Canada LLP, Chartered Professional Accountants, as the First Nation's appointed external auditor, has audited the Consolidated Financial Statements. The Independent Auditor's Report is addressed to the Members and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian audit standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of operations of the First Nation in accordance with Canadian public sector accounting standards. BDO Canada LLP has full and free access to the Council.



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Independent Auditor's Report

To the Members of Berens River First Nation

Qualified Opinion

We have audited the consolidated financial statements of Berens River First Nation and its components ("the First Nation") which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, 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, except for the possible effects of the matter described in the Bases for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2021 and its consolidated results of operations, its consolidated changes in its net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Bases for Qualified Opinion

The First Nation's financial system does not adequately track payables and a manual payable listing was constructed after the year end by current management from information at multiple locations. Due to the significant time involved with reconstruction of the payable information, estimates and judgements of accounts payable may not be complete and are not susceptible of satisfactory audit verification. Further we have been unable to test the completeness of accounts payable due to the significant length of the subsequent period. Therefore, we were not able to determine whether any adjustments might be necessary to expenses, annual surplus, cash flows from operations for the year ended March 31, 2021, and to accounts payable, net debt and tangible capital assets and accumulated surplus as at March 31, 2021.

Due to weaknesses in internal controls over the reporting of cash-based revenue and expenditures in the Berens River Gaming Commission and Berens River Community Bingo operations the financial statements of these organizations were not susceptible of satisfactory audit verification. Accordingly, we were unable to verify the revenues and expenses recorded by these organizations or determine whether adjustments might be necessary to their revenues and expenditures for the years ended March 31, 2021 and 2020. Our audit opinion on the consolidated financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the 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 qualified audit opinion.



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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 First Nation 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BDO Canada LLP

Chartered Professional Accountants

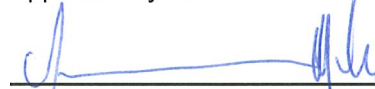
Winnipeg, Manitoba
May 5, 2023

BERENS RIVER FIRST NATION

Consolidated Statement of Financial Position

March 31	2021	2020
Financial Assets		
Cash and bank	\$ 2,619,591	\$ 279,557
Restricted cash (Note 2)	474,015	99,095
Accounts receivable (Note 3)	2,396,016	2,574,446
Investments (Note 4)	11,451	11,451
	<u>5,501,073</u>	<u>2,964,549</u>
Liabilities		
Bank indebtedness (Note 5)	1,255,520	1,737,909
Accounts payable and accrued liabilities (Note 6)	2,547,286	2,783,965
Unexpended funding (Note 7)	9,499,065	3,059,546
Long-term debts and demand loans (Note 8)	10,973,911	12,072,052
	<u>24,275,782</u>	<u>19,653,472</u>
Net debt	<u>(18,774,709)</u>	<u>(16,688,923)</u>
Non-Financial Assets		
Tangible capital assets (Note 9)	30,486,815	32,844,461
Inventories (Note 10)	61,588	80,294
Prepaid expenses	98,576	7,208
	<u>30,646,979</u>	<u>32,931,963</u>
Accumulated surplus (Note 13)	\$ 11,872,270	\$ 16,243,040
Contingent liabilities (Note 15)		

Approved by the First Nation:

 Chief

 Councillor

 Councillor

 Councillor

 Councillor

BERENS RIVER FIRST NATION

Consolidated Statement of Operations

For the year ended March 31	2021		2020
	Budget	Actual	Actual
Revenue			
First Peoples Development Inc.	\$ 712,377	\$ 348,866	\$ 448,901
Health Canada	6,475,645	5,473,321	6,903,932
Indigenous Services Canada (Note 11)	6,662,149	15,023,235	12,521,047
Canada Mortgage and Housing Corporation	339,770	973,283	637,145
Gaming revenue	-	566,304	510,420
Province of Manitoba	250,000	39,295	136,981
Rental income	474,000	589,747	797,279
Fuel, gravel, barge fees, and sundry	2,005,663	749,248	3,858,201
Equity loss of subsidiary (Note 4)	(315,247)	-	-
	16,604,357	23,763,299	25,813,906
Expenses (Note 18)			
Medical services	6,069,951	5,243,479	5,918,509
Social services and development	3,113,821	3,678,130	3,371,430
Mee-Mee-Wee-Seepi Development Corp.	-	4,469,427	7,386,175
Education student services	1,729,909	1,524,930	2,076,788
Band support and administration	1,457,063	3,689,317	4,677,247
Band Support Building Capacity	-	-	49,987
Community water and waste services	1,247,210	1,896,244	1,771,061
ASETS Training & Employment	601,384	491,593	523,371
Housing Authority	496,007	959,214	784,451
Education local services	255,248	261,399	315,691
Education Admin Post Secondary	-	94,600	95,537
Capital and set programs	136,383	651,077	780,304
Arena	223,388	172,513	147,199
Community contributions	177,000	197,859	481,579
Log Inn	103,480	86,384	112,326
Skills link	83,100	175,127	180,492
Indian registry	39,202	52,629	54,866
Elections	-	-	23,449
Family Violence	-	12,097	13,595
Student services	73,200	83,252	62,024
Special funding	-	982,415	(359,312)
Fishing	-	-	8,558
SERDC - Water stewardship	-	24,000	60,000
Economic Development	-	240,722	150,479
Gaming Commission	-	127,542	238,560
INAC Community Based Initiative	-	284,047	289,602
COVID-19	-	2,086,496	38,495
Chess Program	-	50,254	126,663
Constable	-	109,240	49,939
Comprehensive Community Plan	66,652	-	55,386
Government Capacity Development	-	-	30,000
Community bingo	-	415,861	554,219
Band employee benefits	-	74,221	121,898
	15,872,998	28,134,069	30,190,568
Annual surplus (deficit)	\$ 731,359	(4,370,770)	(4,376,662)
Accumulated surplus, beginning of year		16,243,040	20,619,702
Accumulated surplus, end of year		\$ 11,872,270	\$ 16,243,040

BERENS RIVER FIRST NATION Consolidated Statement of Changes in Net Debt

For the year ended March 31		2021	2020
	Budget	Actual	Actual
Annual surplus (deficit)	\$ 731,359	\$ (4,370,770)	\$ (4,376,662)
Acquisition of tangible capital assets	-	(11,000)	(4,662,108)
Amortization of tangible capital assets	-	2,368,646	3,615,965
	<u>731,359</u>	<u>(2,013,124)</u>	<u>(5,422,805)</u>
Prepaid expenses	-	(91,368)	61,500
Inventories	-	18,706	117,893
Decrease (increase) in net debt	<u>\$ 731,359</u>	<u>(2,085,786)</u>	<u>(5,243,412)</u>
Net debt, beginning of year		<u>(16,688,923)</u>	<u>(11,445,511)</u>
Net debt, end of year		<u>\$ (18,774,709)</u>	<u>\$ (16,688,923)</u>

BERENS RIVER FIRST NATION Consolidated Statement of Cash Flows

For the year ended March 31	2021	2020
Cash Flows from Operating Activities		
Annual deficit	\$ (4,370,770)	\$ (4,376,662)
Adjustment for non-cash items:		
Amortization of tangible capital assets	2,368,646	3,615,965
	(2,002,124)	(760,697)
Changes in non-cash working capital balances:		
Accounts receivable	178,430	978,785
Inventories	18,706	117,893
Prepaid expenses	(91,368)	61,500
Accounts payable	(236,679)	(2,117,366)
Unexpended revenue	6,439,519	(45,430)
	4,306,484	(1,765,315)
Cash Flows from Capital Activities		
Purchase and construction of capital assets	(11,000)	(4,662,108)
Cash Flows from Investing Activities		
Proceeds of investments	-	1,670,034
Cash Flows from Financing Activities		
Proceeds of long-term debt	-	5,520,528
Repayment of long-term debt	(1,098,141)	(1,307,041)
Advances from line of credit	-	1,737,909
Repayments of line of credit	(482,389)	-
	(1,580,530)	5,951,396
Increase in cash	2,714,954	1,194,007
Cash (bank indebtedness), beginning of year	378,652	(815,355)
Cash, end of year	\$ 3,093,606	\$ 378,652
Represented by		
Cash and bank	\$ 2,619,591	\$ 279,557
Restricted cash	474,015	99,095
	\$ 3,093,606	\$ 378,652

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

1. Nature of Entity and Summary of Significant Accounting Policies

Nature of Entity

The First Nation is a non-profit, non-taxable entity and is engaged in the social, cultural and economic development of First Nation citizens of Berens River First Nation.

Basis of Accounting

These financial statements were prepared using the accrual basis of accounting in accordance with Canadian public sector accounting standards. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

Basis of Consolidation

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

These financial statements consolidate the assets, liabilities and results of operations for Berens River First Nation and use accounting principles which lend themselves to consolidation. All inter-entity balances have been eliminated on consolidation.

The following entities' financial position and results of operations are included in these financial statements:

Subsidiaries

Mee-Mee-Wee-Seepi Development Corporation	100% owned
Nipi Marine Service Ltd.	100% owned
Berens River Housing Authority Inc.	100% owned
Berens River Log Inn Inc.	100% owned
7269251 Manitoba Ltd.	100% owned
Pigeon River Contractors Ltd.	100% owned

Unincorporated Departments

Berens River Community Bingo
Berens River Gaming Commission

Investments

The investment in the loan to the Shawano Wapunong Building Inc. is recorded at cost.

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

1. Nature of Entity and Summary of Significant Accounting Policies (continued)

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 impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that the 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.

Fuel and gravel revenue is recognized when the title of the product passes to the customer and collectibility is reasonably assured. Reasonable assurance is based on the First Nation's past experience with collections.

Financial Instruments

The First Nation's financial instruments consist of cash and bank, restricted cash, accounts receivable, long-term investments, bank indebtedness, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Inventory

Raw materials and supplies are stated at the lower of cost and replacement cost. Cost is generally determined on the first-in first-out basis.

Replacement Reserves

The reserves are required by agreements with funders for the replacement of tangible capital assets. This balance consists of a net accumulation of the levy on operations and expenditures paid for by the reserve since inception.

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

1. Nature of Entity and Summary of Significant Accounting Policies (continued)

Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization based on the estimated useful life of the asset is recorded once the asset is available for productive use as follows:

Infrastructure	20 - 50 years straight-line basis
Buildings	20 - 40 years straight-line basis
Equipment	10 - 20 years straight-line basis
Automotive	10 years straight-line basis

Pension Plans

The First Nation also maintains defined contribution pension plans for its personnel. Expenses for this plan is equal to the First Nation's required contribution for the year.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Measurement uncertainty exists specifically in the determination of accounts receivable, useful life of capital assets and unexpended funding.

Restricted Cash

Restricted cash balances represent assets segregated for use for replacement reserves with CMHC and FNIHB operating agreements. Restricted cash also includes trust funds held by ISC.

Liability for Contaminated Sites

Liabilities for remediation of a contaminated site are 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. At each financial reporting date, the First Nation reviews the carrying amount of any liability.

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

2. Restricted Cash

Under the terms of the agreements with CMHC, the replacement reserve account is to be credited in the amount of \$69,580 annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation (CDIC) or as may otherwise be approved by CDIC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are charged to interest first and then principal. The restricted cash is comprised of Externally Restricted Reserves as follows:

	<u>2021</u>	<u>2020</u>
CMHC Replacement Reserve	\$ 370,518	\$ 518
ISC Trust	103,497	98,577
	<u>\$ 474,015</u>	<u>\$ 99,095</u>

The CMHC replacement reserve account is underfunded by \$481,561.

ISC Funds Held in Trust

The restricted cash balance contains the surplus of monies held in trust for Berens River First Nation by the Department of Indigenous Services Canada. The change in the trust balance during the year was as follows:

	<u>2021</u>	<u>2020</u>
Trust balance, beginning of year	\$ 98,577	\$ 94,918
Interest and fees earned	4,920	3,659
Trust balance, end of year	<u>\$ 103,497</u>	<u>\$ 98,577</u>

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

3. Accounts Receivable

	2021	2020
Trade	\$ 824,207	\$ 869,159
Allowance for doubtful accounts	(6,508)	(6,508)
Member receivables	122,703	79,435
	940,402	942,086
Indigenous Services Canada		
Basic Needs	94,000	-
Roads & Bridges	85,858	1,525,438
Prov School Tuition	472,034	-
Perimeter Security	70,469	-
Capital Investment COVID-19	428,000	-
FNIHB	192,258	-
CMHC	39,525	41,901
GST	73,470	65,021
	1,455,614	1,632,360
	\$ 2,396,016	\$ 2,574,446

4. Investments

The investment balance reported represents the following holdings:

	2021	2020
Shawano Wapunong Building Inc. loan at cost	\$ 11,451	\$ 11,451

The investment in Shawano Wapunong Building Inc. represents a loan receivable, and accrues interest at 10% per annum. There are no set terms of repayment.

5. Bank Indebtedness

Included in bank indebtedness is a credit facility with an interest rate of prime plus 3.25% (effective rate 7.20%) and a limit of \$400,000. This credit facility was \$228,978 utilized at year-end (unutilized in 2020).

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

6. Accounts Payable and Accrued Liabilities

	2021	2020
Trade	\$ 1,713,948	\$ 2,014,383
Accrued liabilities	159,283	398,617
Canada Revenue Agency	674,055	370,965
Total accounts payable	\$ 2,547,286	\$ 2,783,965

7. Unexpended Funding

This balance represents unspent program funds provided to Berens River First Nation by the Department of Indigenous Services Canada and the Government of Canada (ISC).

	ISC	2021	2020
Deferred revenue - opening	\$ 3,059,546	\$ 3,059,546	\$ 3,104,976
Add: Current year monies unspent	3,435,557	6,726,456	1,459,268
Less: Previous year revenue recognized	(286,937)	(286,937)	(1,504,698)
Deferred revenue - closing	\$ 6,208,166	\$ 9,499,065	\$ 3,059,546

The balance of deferred revenue consists of the following:

Indigenous Services Canada	
2006 School Study	\$ 50,000
2017 Student Accommodations	655,663
2018 Decommitted Basic Needs	28,476
2018 Decommitted Special Needs	4,492
2018 Decommitted Summer Work	32,033
2019 Feasibility Study	50,000
2019 Decommitted Family Violence	11,702
2019 Housing Extension	1,344,658
2021 5 Duplex	692,050
2021 Perimeter Security	70,469
2021 Post Secondary	680,000
2021 Provincial School Accommodations	1,130,500
2021 Water System	467,123
2021 Housing Construction	991,000
	6,208,166
First Nation and Inuit Health Branch - AHTF	3,290,899
	\$ 9,499,065

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Notes to Consolidated Financial Statements

For the year ended March 31, 2021

8. Long-term Debts and Demand Loans

	2021	2020
Mortgage payable at 0.45%, due June 1, 2021, repayable in monthly installments of \$1,981 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	\$ 226,749	\$ 248,682
Mortgage payable at 0.76%, due December 1, 2025, repayable in monthly installments of \$3,124 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	671,235	703,260
Mortgage payable at 0.82%, due September 1, 2024, repayable in monthly installments of \$4,596 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	190,243	243,073
RBC Mortgage payable at 2.35%, due March 1, 2022, repayable in monthly installments of \$2,908 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement, and assignment of fire insurance (Section 10).	34,228	67,873
Mortgage payable repaid in the fiscal year.	-	10,908
Mortgage payable at 1.86%, due August 1, 2022, repayable in monthly installments of \$4,964 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	351,271	403,813
Mortgage payable at 1.44%, due February 1, 2022, repayable in monthly installments of \$2,927 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	354,611	384,418
Mortgage payable at 1.30%, due April 1, 2026, repayable in monthly installments of \$2,360 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	370,404	394,676
Carried forward	\$ 2,198,741	\$ 2,456,703

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

8. Long-term Debts and Demand Loans (continued)

	2021	2020
Brought forward	\$ 2,198,741	\$ 2,456,703
Mortgage payable at 2.50%, due June 1, 2023, repayable in monthly installments of \$1,658 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	209,912	224,403
Mortgage payable at 2.22%, due January 1, 2024, repayable in monthly installments of \$3,612 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	481,113	513,455
Mortgage payable at 2.39%, due March 1, 2023, repayable in monthly installments of \$3,519 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	587,631	615,551
Mortgage payable at 1.13%, due July 1, 2021, repayable in monthly installments of \$3,046 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	663,947	692,856
Mortgage payable at 2.68%, due October 1, 2023, repayable in monthly installments of \$4,694 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	789,987	824,801
First Nation Bank term facility at prime plus 2.45% (effective rate 5.90%), due December 1, 2022 repayable in monthly principal and interest payments of \$9,369.	949,617	1,004,250
First Peoples Economic Growth Fund Inc. term facility repaid in the fiscal year.	-	29,673
Carried forward	\$ 5,880,948	\$ 6,361,692

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

8. Long-term Debts and Demand Loans (continued)

	2021	2020
Brought forward	\$ 5,880,948	\$ 6,361,692
First Nation Bank term facility at fixed rate of 5.93% due November 1, 2022, repayable in monthly principal and interest payments of \$5,562.	364,874	408,472
First Nation Bank term facility at fixed rate of 5.93% due July 1, 2022, repayable in monthly principal and interest payments of \$1,158.	21,772	33,979
First Nation Bank term facility at fixed rate of 5.93% due November 1, 2022, repayable in monthly principal and interest payments of \$3,088.	57,966	90,523
First Nation Bank term facility at fixed rate of 5.70% due May 1, 2024, repayable in monthly principal and interest payments of \$42,429.	1,473,653	1,885,887
First Nation Bank term facility at variable rate of prime plus 2.15% (effective rate 5.60%) due March 1, 2025, repayable in monthly principal and interest payments of \$4,507.	1,027,500	1,027,500
First Nation Bank term facility at fixed rate of 5.70% due January 1, 2025, repayable in monthly principal and interest payments of \$9,369.	582,807	632,159
Mortgage payable at 2.06%, due January 1, 2025 repayable in monthly instalments of \$8,352 principal and interest, secured by an INAC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	1,564,391	1,631,840
	\$ 10,973,911	\$ 12,072,052

The future minimum payments for the next five years and thereafter are:

2022	\$ 2,349,477
2023	2,970,035
2024	2,131,967
2025	1,427,513
2026	1,845,867
Thereafter	249,052
	\$ 10,973,911

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

9. Tangible Capital Assets

	2021				
	Infrastructure	Buildings	Equipment	Automotive	Total
Cost, beginning of year	\$ 14,242,840	\$ 63,116,712	\$ 7,395,001	\$ 3,411,347	\$ 88,165,900
Additions	-	-	11,000	-	11,000
Cost, end of year	14,242,840	63,116,712	8,116,200	3,411,347	88,176,900
Accumulated amount, beginning of year	(6,135,230)	(40,901,242)	(5,642,550)	(2,642,417)	(55,321,439)
Amortization	(470,213)	(1,607,046)	(125,446)	(165,941)	(2,368,646)
Accumulated amount, end of year	(6,605,443)	(42,508,288)	(5,767,996)	(2,808,358)	(57,690,085)
Net carrying amount, end of year	\$ 7,637,397	\$ 20,608,424	\$ 2,348,204	\$ 602,989	\$ 30,486,815

	2020				
	Infrastructure	Buildings	Equipment	Automotive	Total
Cost, beginning of year	\$ 14,242,720	\$ 60,244,485	\$ 5,605,240	\$ 3,411,347	\$ 83,503,792
Additions	120	2,872,227	1,789,761	-	4,662,108
Cost, end of year	14,242,840	63,116,712	7,395,001	3,411,347	88,165,900
Accumulated amount, beginning of year	(5,665,018)	(38,980,153)	(4,591,804)	(2,468,499)	(51,705,474)
Amortization	(470,212)	(1,921,089)	(1,050,746)	(173,918)	(3,615,965)
Accumulated amount, end of year	(6,135,230)	(40,901,242)	(5,642,550)	(2,642,417)	(55,321,439)
Net carrying amount, end of year	\$ 8,107,610	\$ 22,215,470	\$ 1,752,451	\$ 768,930	\$ 32,844,461

Included in infrastructure are tangible capital assets under construction in the amount of \$Nil (Nil in 2020) that are not being amortized as they are not in use.

10. Inventories

	2021	2020
Materials and supplies	\$ 1,390	\$ 1,390
Fuel	60,198	78,904
	\$ 61,588	\$ 80,294

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

11. Indigenous Services Canada (ISC) Revenue Reconciliation

	2021	2020
ISC cash release confirmation	\$ 18,458,792	\$ 13,980,315
Less: Current year deferred revenue (Note 7)	(3,435,557)	(1,459,268)
Total ISC revenue reported	<u>\$ 15,023,235</u>	<u>\$ 12,521,047</u>

12. Replacement Reserves

	CMHC	FNIHB MAR	2021	2020
Balance, beginning of year	\$ 796,026	\$ 204,353	\$1,000,379	\$1,096,658
Allocations	74,730	31,311	106,041	39,311
Expenses	(18,677)	(103,000)	(121,677)	(135,590)
Balance, end of year	<u>\$ 852,079</u>	<u>\$ 132,664</u>	<u>\$ 984,743</u>	<u>\$1,000,379</u>

The replacement reserve balance consists of a net accumulation of the levy on operations, recoveries collected and expenditures paid for by the reserve since inception in accordance with the agreement with Canada Mortgage and Housing Corporation (CMHC). The First Nation plans to fund the replacement reserve by making monthly deposits of \$5,132 into the replacement reserve bank account.

13. Accumulated Surplus

The First Nation segregates its accumulated surplus in the following categories:

	2021	2020
Investment in tangible capital assets	\$ 19,512,904	\$ 20,772,409
Current Funds (deficit)	(8,625,377)	(5,529,748)
Reserve Funds (Note 12)		
CMHC	852,079	796,026
MAR	132,664	204,353
	<u>\$ 11,872,270</u>	<u>\$ 16,243,040</u>

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

14. Defined Contribution Pension Plan

The expense for the First Nation's pension plan for the year was \$74,222 (\$98,837 in 2020). The plan is funded equally by the First Nation and the First Nation's employees at rates of 3.0% to 5.5% of the employee's salary. The funds are invested in mutual funds as directed by the First Nation's individual employees' investment directives.

15. Contingent Liabilities

Berens River First Nation holds two quarry leases in relation to the work performed by Pigeon River Contractors Ltd. As the leases are in the name of the First Nation, they are liable for any rehabilitation costs related to these sites. Rehabilitation fees are paid to the Province of Manitoba for these costs when material is removed from the quarry. These fees are placed in a trust account and are to be used in the future to rehabilitate the sites upon closure. There is the potential that additional monies would be required to rehabilitate the quarries but we are unable to determine the additional costs, if any, that may be required. As a result, no payables related to these costs have been recorded in the First Nation's records.

The First Nation, in the course of its operations, is subject to lawsuits. As a policy, management will accrue for losses in instances where it is probable that liabilities will be incurred and where such liabilities can be reasonably estimated. At present, management has been given notice of a potential claim against the First Nation by a customer. At the date of the audit report, the amount of the claim is undeterminable.

16. Comparative Figures

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

17. Budget

The Management Action Plan (Budget) adopted by Council was not prepared on a basis consistent with that used to report actual results (public sector accounting standards). The budget was prepared on a modified accrual basis while public sector accounting standards now require a full accrual basis including amortization.

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

18. Expense by Object

The following is a summary of expenses by object.

	<u>2021</u>	<u>2020</u>
Amortization	\$ 2,368,646	\$ 2,479,645
Interest	460,675	528,744
Other	15,516,811	16,317,884
Professional services	383,460	570,633
Rental expenditures	118,800	231,434
Salaries and benefits	7,741,940	8,234,220
Supplies and services	1,543,737	1,828,008
	<u>\$ 28,134,069</u>	<u>\$ 30,190,568</u>

19. Segmented Information

The First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the Berens River First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations.

The services are provided by the several entities of Berens River First Nation. These activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed:

Public Works

Public Works contains all activities that relate to the maintenance of buildings and land of the First Nation.

Social Development

Social Development contains activities that provide financial support or support by other means to band members that is aimed at developing both the individual as well as the community.

Finance & Administration

Finance & Administration contains activities that are needed to run the Berens River Band organization.

Health Services

Health Services contains activities that provide medical services to band members.

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

19. Segmented Information (continued)

Education

Education Services contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

Training & Development

Training & Development contains activities that provide financial support or support by other means to band members and organizations situated on the First Nation reserve that is aimed at developing personal skills and businesses.

Housing

Housing contains activities that provide housing and repairs and maintenance to band members' housing.

Gaming

Gaming contains activities that provide gaming services to both band members and non-band members.

BERENS RIVER FIRST NATION

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

19. Segmented Information (continued)

	Mee-mee-wee-seepi & Public Works	Social Development	Finance & Administration	Health Services	Education	Training & Development	Housing	Gaming	Eliminations	2021 Total
Revenue										
Federal	\$ 4,696,596	6,738,136	\$ 905,716	\$ 6,186,437	\$ 1,867,580	\$ 793,706		\$ -	\$ -	\$ 21,188,171
Sundry	2,226,636	68,252	682,524		165,682	687,261	1,452,172	609,039	(3,316,438)	2,575,128
Equity earnings	-	-	-	-	-	-	-	-	-	-
Total revenue	6,923,232	6,806,388	1,588,240	6,186,437	2,033,262	1,480,967	1,452,172	609,039	(3,316,438)	23,763,299
Expenses	6,209,318	6,148,521	2,642,131	1,537,410	1,829,321	636,824	773,062	454,153	(634,520)	19,596,220
Salaries and other	2,235,151	262,075	1,209,055	3,706,069	209,081	641,016	186,152	89,250	-	8,537,849
Total expenses	8,444,469	6,410,596	3,851,186	5,243,479	2,038,402	1,277,840	959,214	543,403	(634,520)	28,134,069
Annual surplus (deficit)	\$ (1,521,237)	\$ 395,792	\$ (2,262,946)	\$ 942,958	\$ (5,140)	\$ 203,127	\$ 492,958	\$ 65,636	\$ (2,681,918)	\$ (4,370,770)

	Public Works	Social Development	Finance & Administration	Health Services	Education	Training & Development	Housing	Gaming	Eliminations	2020 Total
Revenue										
Federal	\$ 4,508,584	\$ 2,763,678	\$ 950,639	\$ 6,942,427	\$ 3,024,839	\$ 932,070	\$ 1,388,788	-	\$ -	\$ 20,511,025
Sundry	5,255,520	301,754	483,111	156,828	(42,000)	460,916	518,995	555,420	(2,387,663)	5,302,881
Equity earnings	-	-	-	-	-	-	-	-	-	-
Total revenue	9,764,104	3,065,432	1,433,750	7,099,255	2,982,839	1,392,986	1,907,783	555,420	(2,387,663)	25,813,906
Expenses	10,439,607	2,127,637	3,913,763	1,937,813	2,442,153	408,985	1,583,238	666,963	(1,608,037)	21,912,122
Salaries and other	2,782,085	288,663	1,020,235	4,019,191	45,863	686,499	89,720	125,816	-	9,058,072
Total expenses	13,221,692	2,416,300	4,933,998	5,957,004	2,488,016	1,095,484	1,672,958	792,779	(2,387,663)	30,190,568
Annual surplus (deficit)	\$ (3,457,588)	\$ 649,132	\$ (3,500,248)	\$ 1,142,251	\$ 494,823	\$ 297,502	\$ 234,825	(237,359)	\$ -	\$ (4,376,662)