
BLOODVEIN FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

BLOODVEIN FIRST NATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONSTATEMENT 1

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUSSTATEMENT 2

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBTSTATEMENT 3

CONSOLIDATED STATEMENT OF CASH FLOWSSTATEMENT 4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Bloodvein First Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

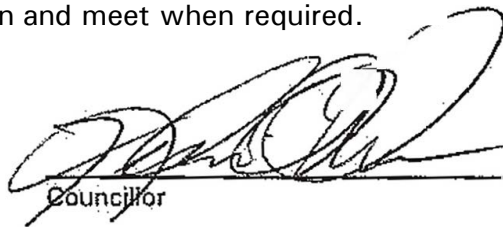
Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to the financial management of Bloodvein First Nation and meet when required.



Chief



Councillor



Councillor

Councillor

Councillor

Baker Tilly HMA LLP
701 - 330 Portage Avenue
Winnipeg, MB R3C 0C4

T: 204.989.2229
TF: 1.866.730.4777
F: 204.944.9923

winnipeg@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Bloodvein First Nation

Opinion

We have audited the consolidated financial statements of Bloodvein First Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and 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 Bloodvein First Nation as at March 31, 2022, and its consolidated financial performance 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 Financial Statements section of our report. We are independent of Bloodvein 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 opinion.

Responsibilities of Management and Those Charged with Governance for the 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 Bloodvein 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 Bloodvein First Nation or to cease operations, or has no realistic alternative but to do so.

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

(continued.....)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Bloodvein 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 Bloodvein 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 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 Bloodvein First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
July 12, 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2022

2021

FINANCIAL ASSETS

Cash - unrestricted	\$ 10,137,588	\$ 8,916,269
Restricted cash (Note 3)	2,288,184	1,405,707
Accounts receivable (Note 4)	2,062,532	1,586,653
Long term investments (Note 5)	<u>3,027,601</u>	<u>1,822,512</u>
	<u>17,515,905</u>	<u>13,731,141</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 6)	3,414,117	3,871,844
Deferred revenue (Note 7)	10,825,136	8,220,912
Long term debt (Note 8)	<u>8,721,018</u>	<u>8,728,420</u>
	<u>22,960,271</u>	<u>20,821,176</u>
NET DEBT	(5,444,366)	(7,090,035)

NON-FINANCIAL ASSETS

Tangible capital assets (Note 9)	21,081,971	19,127,839
Construction in progress (Note 10)	26,548,668	18,460,324
Prepaid expenses	<u>25,241</u>	<u>32,335</u>
	<u>47,655,880</u>	<u>37,620,498</u>

ACCUMULATED SURPLUS (Note 11)	\$ <u>42,211,514</u>	\$ <u>30,530,463</u>
-------------------------------	----------------------	----------------------

CONTINGENT LIABILITIES (Note 12)

Approved on behalf of Chief and Council:



Chief



Councillor



Councillor

Councillor

Councillor

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 2	2 0 2 1
REVENUE			
Indigenous Services Canada (ISC) <i>(Note 13)</i>	\$ 21,629,374	\$ 22,551,197	\$ 25,508,699
Canada Mortgage and Housing Corporation (CMHC)	552,803	1,864,455	485,835
Private funds	592,115	1,642,161	1,364,178
Sales - fuel farm		455,237	382,341
South Beach Casino Limited Partnership - net		1,383,200	(687,835)
Rental and user fees	411,868	493,962	513,890
Norwin Construction Ltd.		193,014	181,382
Assembly of Manitoba Chiefs			608,220
Manitoba First Nation Education Resource Centre	70,000	70,000	70,346
Southeast Resource Development Council Corp.	30,000	167,231	149,502
Province of Manitoba		25,907	51,421
Canada Post	47,000	47,998	17,492
Equipment rental and other own source		147,270	323,305
Employment and Social Development Canada	307,445	232,445	
Deferred from prior year	8,220,912	8,220,912	5,467,423
Deferred to following year	(10,841,261)	(10,825,136)	(8,220,912)
	<u>21,020,256</u>	<u>26,669,853</u>	<u>26,215,287</u>
EXPENDITURES			
Administration	680,134	1,433,795	1,565,671
Capital Projects	398,526	598,536	412,718
Economic Development		1,030,787	702,628
Education	93,498	325,360	302,196
Employment and Training	432,295	458,124	364,293
First Nation Programs	248,537	904,004	803,347
Health	3,081,462	3,873,243	3,254,663
Housing	642,893	1,136,069	842,895
Operations and Maintenance	844,540	2,198,133	1,818,215
Social Assistance	<u>2,659,637</u>	<u>3,030,751</u>	<u>3,079,069</u>
	<u>9,081,522</u>	<u>14,988,802</u>	<u>13,145,695</u>
ANNUAL SURPLUS	11,938,734	11,681,051	13,069,592
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>30,530,463</u>	<u>30,530,463</u>	<u>17,460,871</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 42,469,197</u>	<u>\$ 42,211,514</u>	<u>\$ 30,530,463</u>

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 2	2 0 2 1
Annual surplus	\$ <u>11,938,734</u>	\$ <u>11,681,051</u>	\$ <u>13,069,592</u>
Acquisition of tangible capital assets	(746,000)	(746,722)	(1,445,474)
Amortization of tangible capital assets	1,863,000	1,863,039	1,756,123
Acquisition of construction in progress	(<u>11,100,000</u>)	(<u>11,158,793</u>)	(<u>14,574,714</u>)
	(<u>9,983,000</u>)	(<u>10,042,476</u>)	(<u>14,264,065</u>)
Acquisition of prepaid expenses	(25,000)	(25,241)	(32,335)
Use of prepaid expenses	<u>32,000</u>	<u>32,335</u>	<u>22,169</u>
	<u>7,000</u>	<u>7,094</u>	(<u>10,166</u>)
INCREASE IN NET DEBT FOR YEAR	1,962,734	1,645,669	(1,204,639)
NET DEBT, <i>beginning of year</i>	(<u>7,090,035</u>)	(<u>7,090,035</u>)	(<u>5,885,396</u>)
NET DEBT, <i>end of year</i>	\$ (<u>5,127,301</u>)	\$ (<u>5,444,366</u>)	\$ (<u>7,090,035</u>)

BLOODVEIN FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2022	2021
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from Indigenous Services Canada (ISC)	\$ 22,570,950	\$ 21,946,550
Cash received from other sources	5,022,159	7,690,352
Cash paid to suppliers and employees	(13,576,396)	(9,307,054)
	<u>14,016,713</u>	<u>20,329,848</u>
<i>INVESTING ACTIVITIES</i>		
Acquisition of tangible capital assets	(746,722)	(1,445,474)
Capital construction costs	(11,158,793)	(14,574,714)
	<u>(11,905,515)</u>	<u>(16,020,188)</u>
<i>FINANCING ACTIVITIES</i>		
Proceeds of long term debt	742,101	901,951
Repayment of long term debt	(749,503)	(723,492)
	<u>(7,402)</u>	<u>178,459</u>
NET INCREASE IN CASH DURING YEAR	2,103,796	4,488,119
CASH, <i>beginning of year</i>	<u>10,321,976</u>	<u>5,833,857</u>
CASH, <i>end of year</i>	\$ <u>12,425,772</u>	\$ <u>10,321,976</u>
Cash consists of the following:		
Cash - unrestricted	\$ 10,137,588	\$ 8,916,269
Restricted cash	<u>2,288,184</u>	<u>1,405,707</u>
	\$ <u>12,425,772</u>	\$ <u>10,321,976</u>

BLOODVEIN FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. NATURE OF OPERATIONS

The Bloodvein First Nation ("the First Nation") is located in the province of Manitoba and provides various services to its members.

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

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The Bloodvein First Nation ("the First Nation") is located in the province of Manitoba and provides various services to its members.

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

REPORTING ENTITY

The consolidated financial statements report the financial activities of all entities and departments comprising the reporting entity of the First Nation.

PRINCIPLES OF CONSOLIDATION

All entities controlled by the First Nation are fully consolidated on a line-by-line basis except for the commercial enterprises that meet the definition of a government business enterprise, which are included in the consolidated financial statements using the modified equity method of accounting.

These consolidated financial statements combine the assets, liabilities, revenue and expenditures of the following entities and departments:

- Bloodvein First Nation
- Bloodvein First Nation Health Authority
- Bloodvein First Nation Housing Authority

All inter-entity balances have been eliminated on consolidation.

However, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Incorporated and unincorporated business entities which are owned and controlled by the First Nation but which are not dependent on the First Nation for their continuing operations are included in the consolidated financial statements using the modified equity method of accounting whereby only the First Nation's investment in the government business enterprise and the business enterprise's net income and other changes in equity are recorded.

The enterprise's accounting principles are not adjusted to conform to those of the First Nation.

Entities accounted for by the modified equity method include:

- South Beach Casino Limited Partnership (which includes South Beach Capital Partners Limited Partnership and South Beach Management Services Ltd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2022**

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)****ASSET CLASSIFICATION***

Assets are classified as either financial or non-financial.

Financial assets are assets that could be used to discharge existing liabilities or finance future operations.

Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale.

Non-financial assets include tangible capital assets, construction in progress and prepaid expenses.

CASH - UNRESTRICTED

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

RESTRICTED CASH

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

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 liabilities less its financial assets.

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 First Nation unless they are sold.

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, or group of assets, may not be recoverable.

Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount.

Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value.

Any impairment is included in the statement of operations and accumulated surplus for the year in which the asset becomes impaired.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**TANGIBLE CAPITAL ASSETS*

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets acquired are reported at net book value.

Residential buildings acquired under Canada Mortgage and Housing Corporation ("CMHC") sponsored programs are amortized at a rate equivalent to the annual principal reduction in the related long term debt.

Assets under construction are not amortized until the asset is available to be put into service.

Contributions received to assist in the acquisition of tangible capital assets are reported as deferred revenue and amortized at the same rate as the related asset.

Amortization of tangible capital assets is provided for on the declining balance basis at the following annual rates:

Environmental infrastructure	2.50%
Equipment	10.00 - 33.33%
Facilities	2.50 - 5.00%
Transportation infrastructure	2.50%
Vehicles	20.00%

Amortization is computed at one-half of the annual rate in the year of acquisition.

REVENUE RECOGNITION

Revenue is recognized in the year in which the transactions or events occurred that gave rise to the revenue.

All revenue is recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when its estimation is impracticable.

Government transfer revenue which includes Indigenous Services Canada (ISC) and Canada Mortgage and Housing Corporation (CMHC) is recognized as revenue when the transfer is authorized and any eligibility criteria under the terms of the applicable funding agreement are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability.

Transfer revenue is recognized in the statement of operations and accumulated surplus as the stipulations are settled.

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

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**SEGMENTS*

The First Nation conducts its business through ten reportable segments as identified in Note 16.

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 segment separately reported, the segment revenue and expenditures 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 accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Basis of Presentation and Summary of Significant Accounting Policies.

FINANCIAL INSTRUMENTS

Financial instruments include cash, restricted cash, accounts receivable, long term investments, accounts payable and accrued liabilities, deferred revenue and long term debt.

Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments and the carrying value of the First Nation's financial assets and liabilities approximates their fair value.

FAIR VALUE

Due to the short term nature of all financial instruments other than long term investments and long term debt, the carrying values as presented in the consolidated financial statements are reasonable estimates of fair value.

Management has estimated fair value by reference to established financial markets.

As is true for all estimates, actual fair value could differ from this estimate, and if so, any difference would be accounted for in the year in which it becomes known.

For long term investments and long term debt it is not practicable within the constraints of timeliness or cost to determine the fair value with sufficient reliability because the financial instruments are not traded in an organized financial market.

USE OF ESTIMATES

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 certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenditures during the reporting year.

Accounts receivable are stated after estimates as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization of tangible capital assets is provided for on the declining balance basis.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations and accumulated surplus in the year in which they become known.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

3. RESTRICTED CASH

CAPITAL PROJECTS

Capital projects funding provided by Indigenous Services Canada (ISC) whereby monies are held in a separate joint bank account with a contracted capital projects manager is restricted for project related expenditures as approved by ISC in accordance with the applicable agreement.

CMHC REPLACEMENT RESERVE

Under the terms of the operating agreements with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve is to be credited with an annual allocation of \$77,383 (March 31, 2021 - \$75,183).

The annual replacement reserve allocation for new CMHC housing projects during the year is pro-rated consistent with the interest adjustment date established for the corresponding mortgage.

These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

The funds in the account may only be used as approved by CMHC.

Expenditures are charged to accumulated interest first and then to principal.

As of March 31, 2022, the accumulated balance of \$627,502 (March 31, 2021 - \$592,551) in this reserve was underfunded by \$212,825 (March 31, 2021 - \$181,765) and due from operating.

OTTAWA TRUST FUND

The Ottawa Trust Fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act.

Capital trust monies are derived from non-renewable resource transactions on the sale of lands or other First Nation tangible capital assets.

Capital trust monies are expended on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Chief and Council.

Revenue trust monies are generated primarily through land-leasing transactions or interest earned on deposits in the Consolidated Revenue Fund of the Government of Canada.

Revenue trust monies are, in most cases, managed and expended under the provisions of Sections 63 to 69 of the Indian Act.

	2 0 2 2	2 0 2 1
Capital Project - Lake Winnipeg School Bundle	\$ 1,848,266	\$ 971,079
CMHC Replacement Reserve	414,677	410,786
Ottawa Trust Fund	<u>25,241</u>	<u>23,842</u>
	<u>\$ 2,288,184</u>	<u>\$ 1,405,707</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

4. ACCOUNTS RECEIVABLE

	2 0 2 2	2 0 2 1
Indigenous Services Canada (ISC):		
Connectivity - Cell Phone Service Infrastructure	325,000	
Covid -19		55,258
Environmental Site Assessment		68,452
Firesmart	27,500	27,500
Social - Basic Needs	154,000	194,789
Medical Transportation		192,198
Community Facilities O&M	<u>12,044</u>	<u>100</u>
	518,544	538,297
Canada Mortgage and Housing Corporation (CMHC)	431,762	341,837
Shawano Consulting	16,841	9,583
Trade and other	<u>1,095,385</u>	<u>696,936</u>
	<u>\$ 2,062,532</u>	<u>\$ 1,586,653</u>

5. LONG TERM INVESTMENTS

	2 0 2 2	2 0 2 1
South Beach Casino Limited Partnership	<u>\$ 3,027,601</u>	<u>\$ 1,822,512</u>

The First Nation's investment in South Beach Casino Limited Partnership (which includes South Beach Capital Partners Limited Partnership and South Beach Management Services Ltd.) represents a one-seventh ownership that was established for the purpose of operating a casino and hotel on the Brokenhead Ojibway Nation land at Scanterbury, Manitoba.

The investment in this partnership is accounted for in accordance with the modified equity method.

The First Nation's investment in the partnership is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and withdrawals.

Summary information for South Beach Casino Limited Partnership has not been disclosed in the notes to these consolidated financial statements due to its sensitive nature.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 2	2 0 2 1
Trade payables	\$ 106,768	\$ 31,165
Other payables - security deposits		1,600
Accrued interest payable	16,794	16,482
Accrued payroll and employee source deductions payable	53,840	14,256
Other accrued liabilities - capital projects	1,991,150	3,427,965
Other accrued liabilities - operating	<u>1,245,565</u>	<u>380,376</u>
	<u>\$ 3,414,117</u>	<u>\$ 3,871,844</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

7. DEFERRED REVENUE

	2 0 2 2	2 0 2 1
Indigenous Services Canada (ISC):		
Basic Needs - Covid-19	\$ 759,558	\$ 201,715
Capital - Surge Protection Nursing Station	6,300	
Connectivity - Cell Phone Service Infrastructure	325,000	
Community Building Capacity Enhancement	49,077	53,500
Community Buildings	24,720	
Community Landfill	121,545	
Construction Lake Winnipeg School	2,812,870	4,412,776
Construction: New Housing	1,088,561	132,090
Covid 19		380,630
Economic Development	245,620	245,620
Education and Innovation	16,120	16,723
Covid-19 ICSF 4 - EMAP	340,742	
Environmental Site Assessment No 1	14,453	14,453
Environmental Site Assessment No 2	54,000	54,000
Fire Protection	15,031	2,599
Firesmart	13,392	27,500
Summer Work Experience		
Housing Capacity Innovations	25,156	44,197
Major Renovations, Extensions and Repairs	240,000	
Planning - Lake Winnipeg School		39,176
Roads and Bridges	31,173	
Service Delivery - Covid-19	234,212	117,106
Social - Basic Needs	185,232	265,041
Social - In-Home Care		19,059
Social - Service Delivery	79,762	
Social - Special Needs	38,953	33,774
Special Needs - Covid-19	20,762	20,762
Wastewater Systems	150,759	110,909
Youth Employment Strategy	75,137	97,491
Aboriginal Diabetes Initiative	26,756	25,924
Accreditation Services	149,538	119,538
Brighter Futures Initiative	14,201	63,161
Building Healthy Communities	15,020	15,884
Canada Prenatal Nutrition Program	7,751	21,909
Climate Change		10,699
Communicable Disease Control and Management	411,883	7,967
Community Health Facilities - O&M	9,902	22,270
Community Health Facilities - Security	30,854	
Community Health Representative	13,665	5,329
Drinking Water and Wastewater	6,434	3,161
Health Planning Management	120,406	53,132
Home and Community Care	156,638	128,120
Jordan's Principle Education Assistance		29,250
Jordan's Principle - Respite Care	404,897	369,478

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

7. DEFERRED REVENUE *(continued)*

Medical Transportation - Administration	53,310	35,555
Medical Transportation - Client Insured Services	169,887	97,937
Mental Wellness - Covid-19		19,925
National Native Alcohol and Drug Abuse	30,376	23,322
Youth Solvent Abuse	8,664	8,605
Other sources	<u>2,226,819</u>	<u>870,625</u>
	<u>\$ 10,825,136</u>	<u>\$ 8,220,912</u>

8. LONG TERM DEBT

	2 0 2 2	2 0 2 1
CMHC mortgage #19 342 070 001, repayable in monthly installments of \$3,344 including interest at the rate of 2.01%, renews July 2026, matures July 2026.	\$ 166,440	\$ 203,379
CMHC mortgage #19 342 070 002, repayable in monthly installments of \$1,963 including interest at the rate of 1.84%, renews September 2022, matures September 2032.	224,861	244,107
CMHC mortgage #19 342 070 003, repayable in monthly installments of \$3,144 including interest at the rate of 2.50%, renews June 2023, matures May 2033.	367,537	395,742
CMHC mortgage #19 342 070 004, repayable in monthly installments of \$2,482 including interest at the rate of 1.69%, renews September 2024, matures July 2034.	331,492	355,475
CMHC mortgage #19 342 070 005, repayable in monthly installments of \$3,100 including interest at the rate of 1.57%, renews December 2026, matures July 2036.	477,285	508,581
CMHC mortgage #19 342 070 006, repayable in monthly installments of \$2,177 including interest at the rate of 0.52%, renews June 2022, matures October 2036.	366,816	389,858
CMHC mortgage #19 342 070 007, repayable in monthly installments of \$3,451 including interest at the rate of 2.04%, renews January 2023, matures January 2038.	560,189	589,889
CMHC mortgage #19 342 070 008, repayable in monthly installments of \$2,273 including interest at the rate of 1.77%, renews May 2022, matures November 2039.	412,041	431,748
CMHC mortgage #19 342 070 009, repayable in monthly installments of \$1,504 including interest at the rate of 1.13%, renews June 2026, matures November 2040.	304,969	319,755

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

8. LONG TERM DEBT *(continued)*

	2 0 2 2	2 0 2 1
CMHC mortgage #19 342 070 010, repayable in monthly installments of \$3,237 including interest at the rate of 1.12%, renews October 2026, matures April 2041.	667,176	699,793
CMHC mortgage #19 342 070 011, repayable in monthly installments of \$1,885 including interest at the rate of 2.41%, renews April 2023, matures April 2043.	373,975	387,446
CMHC mortgage #19 342 070 012, repayable in monthly installments of \$7,055 including interest at the rate of 1.87%, renews May 2024, matures May 2039.	1,242,986	1,303,868
CMHC mortgage #19 342 070 013, repayable in monthly installments of \$4,139 including interest at the rate of 0.98%, renews April 2025, matures April 2040.	822,921	864,322
CMHC mortgage #19 342 070 014, repayable in monthly installments of \$3,452 including interest at the rate of 1.01%, renews August 2026, matures August 2041.	730,159	
First Nations Bank of Canada loan, repayable in monthly installments of \$2,810 plus interest at the rate of 5.64%, renews May 2022, matures May 2037.	511,366	545,083
First Nations Bank of Canada loan, repayable in monthly installments of \$5,291 including interest at the rate of prime (2.70%) plus 2.40%, matures December 2029.	421,601	466,649
First Nations Bank of Canada loan, repayable in monthly installments of \$1,963 including interest at the rate of 3.49%, renews September 2024, matures September 2034.	238,076	253,092
First Nations Bank of Canada loan, repayable in monthly installments of \$1,450 including interest at the rate of 3.49%, renews September 2024, matures September 2034.	175,951	187,049
First Nations Bank of Canada loan, repayable in monthly installments of \$655 plus interest at the rate of prime (2.70%) plus 2.40%, renews September 2023, matures September 2033.	90,436	98,300
First Nations Bank of Canada loan - repaid in full during the year.		236,000
First Nations Bank of Canada loan, repayable in monthly installments of \$1,129 plus interest at the rate of 5.08%, renews July 2024, matures July 2039.	234,741	248,284
	<u>\$ 8,721,018</u>	<u>\$ 8,728,420</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

8. LONG TERM DEBT *(continued)*

CMHC mortgages are secured by a ministerial guarantee from the Minister of Indigenous Services Canada and assignment of fire insurance and are insured by CMHC.

First Nations Bank of Canada loans are secured by a general security agreement, assignment of designated property, Band Council Resolutions authorizing the borrowing and assignment of all risks insurance.

The aggregate of principal payments required within the next five years to meet retirement provisions, assuming long term debt subject to refinancing is renewed, is estimated as follows:

March 31, 2023	\$ 537,507
2024	547,334
2025	557,431
2026	567,807
2027	551,594
Thereafter	<u>5,959,345</u>
	<u>\$ 8,721,018</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

9. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions, Adjustments and Disposals	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2022	Total 2021
CMHC housing	\$ 9,584,788	\$ 746,722	\$ 10,331,510	\$ 2,461,039	\$ 395,096	\$ 2,856,135	\$ 7,475,375	\$ 7,123,749
Environmental infrastructure	5,671,501		5,671,501	4,419,075	109,439	4,528,514	1,142,987	1,252,426
Equipment	1,135,700		1,135,700	525,167	78,509	603,676	532,024	610,533
Facilities	43,483,339	2,674,449	46,157,788	35,701,615	914,364	36,615,979	9,541,809	7,781,724
Land	1,716,192		1,716,192	702,151	106,972	809,123	907,069	1,014,041
Transportation infrastructure	2,021,273	396,000	2,417,273	1,459,011	37,320	1,496,331	920,942	562,262
Vehicles	<u>3,742,522</u>	<u>-</u>	<u>3,742,522</u>	<u>2,959,418</u>	<u>221,339</u>	<u>3,180,757</u>	<u>561,765</u>	<u>783,104</u>
	<u>\$ 67,355,315</u>	<u>\$ 3,817,171</u>	<u>\$ 71,172,486</u>	<u>\$ 48,227,476</u>	<u>\$ 1,863,039</u>	<u>\$ 50,090,515</u>	<u>\$ 21,081,971</u>	<u>\$ 19,127,839</u>

10. CONSTRUCTION IN PROGRESS

	2 0 2 2	2 0 2 1
Band garage renovation and upgrade	\$	\$ 122,500
Gravel project for roads		396,500
Lake Winnipeg School bundle	26,548,668	15,883,214
New band owned housing units	<u>-</u>	<u>2,058,110</u>
	<u>\$ 26,548,668</u>	<u>\$ 18,460,324</u>

The costs of construction in progress for these projects will be transferred to tangible capital assets upon completion and subsequently amortized accordingly.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

11. ACCUMULATED SURPLUS

	2 0 2 2	2 0 2 1
Accumulated deficit from operations	\$(743,210)	\$(744,343)
Equity in tangible capital assets and construction in progress	38,909,621	28,859,743
Equity in long term investments	3,027,601	1,822,512
Replacement reserve	<u>1,017,502</u>	<u>592,551</u>
	<u>\$ 42,211,514</u>	<u>\$ 30,530,463</u>

12. CONTINGENT LIABILITIES

The First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs.

In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their funding agreements.

At this time, it was not yet determined to what extent any funding amounts related to the fiscal year ended March 31, 2022 might be recovered.

For accounting purposes, any amounts assessed or claims paid will be accounted for in the year of determination.

13. RECONCILIATION OF INDIGENOUS SERVICES CANADA (ISC) REVENUE

	2 0 2 2	2 0 2 1
ISC funding per agreement #2122-MB-000005 (MANITOBA)	<u>\$ 22,551,197</u>	<u>\$ 25,508,699</u>
Total ISC revenue per financial statements	<u>\$ 22,551,197</u>	<u>\$ 25,508,699</u>

14. ECONOMIC DEPENDENCE

Bloodvein First Nation receives a majority of its revenue from Indigenous Services Canada (ISC) pursuant to funding arrangements with the Government of Canada.

The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by the funding arrangements.

15. RELATED PARTY TRANSACTIONS

In the normal course of operations, the First Nation enters into transactions with related parties.

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the First Nation and its related parties, aggregate revenue and expenditures derived from related party transactions is not determinable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

16. SEGMENTS

The First Nation has ten reportable segments.

These segments are differentiated by the major activities or services they provide.

The First Nation's segments are as follows:

Administration - activities include the governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.

Capital projects - activities include the planning, managing and delivery of large scale infrastructure and capital projects to the community.

Economic Development - benefits include better access to more and larger businesses and business opportunities both within and beyond the community and a better economic environment.

Education - activities include overseeing many aspects of educational opportunities for community members at all levels of learning both within the community and externally.

Employment and Training - activities include the delivery of culturally sensitive employment services to assist community members in identifying and overcoming potential barriers to employment and to find and maintain meaningful employment.

First Nation Programs - activities include the management and expenditure of revenue generated within the community.

Health - activities include the delivery of programs to promote community health and to address environmental issues and non-insured health benefits.

Housing - activities include the provision of residential housing opportunities for community members.

Operations and Maintenance - activities include the development and maintenance of the community's infrastructure, buildings, roads, bridges and related equipment and the provision of other more specialized community services.

Social Assistance - activities include satisfying the economic, social or health related needs of community members who require assistance.

17. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified where necessary to conform to the financial statement presentation adopted for the current year.

18. BUDGET INFORMATION

The disclosed budget information has been approved by Chief and Council of Bloodvein First Nation.

The budget figures have not been audited, reviewed or otherwise verified and consequently we do not express an opinion on those figures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2022**

19. EXPENDITURES BY OBJECT

	2 0 2 2	2 0 2 1
Amortization	\$ 1,863,039	\$ 1,756,124
Insurance	413,660	317,878
Interest and bank charges	222,271	317,278
Professional fees	274,551	375,238
Purchased goods and services	2,671,739	2,479,175
Repairs and maintenance	1,217,587	442,810
Salaries, wages and benefits	3,888,608	3,078,831
Social assistance	2,522,941	2,819,485
Supplies	714,597	593,849
Training and workshops	483,338	228,991
Travel	180,042	275,451
Utilities	<u>536,429</u>	<u>460,585</u>
	<u>\$ 14,988,802</u>	<u>\$ 13,145,695</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

20. SEGMENT DISCLOSURE

Bloodvein First Nation provides a range of services to its community members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the Basis of Presentation and Summary of Significant Accounting Policies as described in Note 2. The segment results for the year are as follows:

	Administration		Capital Projects		Economic Development		Education		Employment and Training	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue:										
Federal Government										
ISC	\$ 902,413	\$ 629,880	\$ 10,167,184	\$ 14,703,120	\$ -	\$ -	\$ 24,393	\$ 23,563	\$ 124,842	\$ 187,861
CMHC	-	-	-	-	-	-	-	-	-	-
Subtotal	902,413	629,880	10,167,184	14,703,120	-	-	24,393	23,563	124,842	187,861
Other revenue	225,515	228,787	74,763	273,367	2,333,435	(258,095)	37,600	620,785	307,445	143,652
Deferred from prior year			4,520,405	3,640,168	245,620	245,620	686,293	91,884	97,491	132,788
Deferred to following year	-	-	(3,212,623)	(4,520,405)	(363,038)	(245,620)	(685,690)	(686,293)	(75,137)	(97,491)
Total revenue	<u>1,127,928</u>	<u>858,667</u>	<u>11,549,729</u>	<u>14,096,250</u>	<u>2,216,017</u>	<u>(258,095)</u>	<u>62,596</u>	<u>49,939</u>	<u>454,641</u>	<u>366,810</u>
Expenditures:										
Amortization	630,285	586,985	64,051	32,026	367,897	362,438	247,258	241,085		
Interest on long term debt	11,312	10,325			7,912	18,476	6,308	6,685		
Salaries, wages and benefits	234,734	203,043	79,360	56,440	116,761	81,113			413,674	358,513
Other	<u>557,464</u>	<u>765,318</u>	<u>455,125</u>	<u>324,252</u>	<u>538,217</u>	<u>240,601</u>	<u>71,794</u>	<u>54,426</u>	<u>44,450</u>	<u>5,780</u>
Total expenditures	<u>1,433,795</u>	<u>1,565,671</u>	<u>598,536</u>	<u>412,718</u>	<u>1,030,787</u>	<u>702,628</u>	<u>325,360</u>	<u>302,196</u>	<u>458,124</u>	<u>364,293</u>
Annual Surplus (Deficit)	<u>\$ (305,867)</u>	<u>\$ (707,004)</u>	<u>\$ 10,951,193</u>	<u>\$ 13,683,532</u>	<u>\$ 1,185,230</u>	<u>\$ (960,723)</u>	<u>\$ (262,764)</u>	<u>\$ (252,257)</u>	<u>\$ (3,483)</u>	<u>\$ 2,517</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

21. SEGMENT DISCLOSURE (continued)

	First Nation Programs		Health		Housing		Operations and Maintenance	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue:								
Federal Government								
ISC	\$ 78,429	\$ -	\$ 4,013,713	\$ 3,644,421	\$ 1,410,000	\$ 1,187,200	\$ 2,197,689	\$ 1,783,978
CMHC	-	-	-	-	1,864,455	485,835	-	-
Subtotal	78,429	-	4,013,713	3,644,421	3,274,455	1,673,035	2,197,689	1,783,978
Other revenue	941,634	1,067,068	480,766	354,287	324,218	393,252	73,049	151,138
Deferred from prior year			1,108,722	471,561	329,787	430,282	575,137	75,094
Deferred to following year	-	-	(1,690,980)	(1,108,721)	(2,732,750)	(329,787)	(746,439)	(575,138)
Total revenue	<u>1,020,063</u>	<u>1,067,068</u>	<u>3,912,221</u>	<u>3,361,548</u>	<u>1,195,710</u>	<u>2,166,782</u>	<u>2,099,436</u>	<u>1,435,072</u>
Expenditures:								
Amortization			103,912	86,233	395,096	363,617	54,540	83,740
Interest on long term debt	46,026	48,941			126,728	136,912	23,985	95,939
Salaries, wages and benefits	146,341	112,952	1,991,749	1,517,590	93,486	82,726	504,023	510,711
Other	<u>711,637</u>	<u>641,454</u>	<u>1,777,582</u>	<u>1,650,840</u>	<u>520,759</u>	<u>259,640</u>	<u>1,615,585</u>	<u>1,127,825</u>
Total expenditures	<u>904,004</u>	<u>803,347</u>	<u>3,873,243</u>	<u>3,254,663</u>	<u>1,136,069</u>	<u>842,895</u>	<u>2,198,133</u>	<u>1,818,215</u>
Annual Surplus (Deficit)	<u>\$ 116,059</u>	<u>\$ 263,721</u>	<u>\$ 38,978</u>	<u>\$ 106,885</u>	<u>\$ 59,641</u>	<u>\$ 1,323,887</u>	<u>\$ (98,697)</u>	<u>\$ (383,143)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

21. SEGMENT DISCLOSURE *(continued)*

	Social Assistance		TOTAL	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue:				
Federal Government				
ISC	\$ 3,632,534	\$ 3,348,676	\$ 22,551,197	\$ 25,508,699
CMHC	-	-	<u>1,864,455</u>	<u>485,835</u>
Subtotal	3,632,534	3,348,676	24,415,652	25,994,534
Other revenue	60,000		4,858,425	2,974,242
Deferred from prior year	657,457	380,027	8,220,912	5,467,423
Deferred to following year	<u>(1,318,479)</u>	<u>(657,457)</u>	<u>(10,825,136)</u>	<u>(8,220,912)</u>
Total revenue	<u>3,031,512</u>	<u>3,071,246</u>	<u>26,669,853</u>	<u>26,215,287</u>
Expenditures:				
Amortization			1,863,039	1,756,124
Interest on long term debt			222,271	317,278
Salaries, wages and benefits	308,481	155,743	3,888,609	3,078,831
Other	<u>2,722,270</u>	<u>2,923,326</u>	<u>9,014,883</u>	<u>7,993,462</u>
Total expenditures	<u>3,030,751</u>	<u>3,079,069</u>	<u>14,988,802</u>	<u>13,145,695</u>
Annual Surplus (Deficit)	\$ <u>761</u>	\$ <u>(7,823)</u>	\$ <u>11,681,051</u>	\$ <u>13,069,592</u>