
DEGUIS FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

PEGUIS FIRST NATION

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MARCH 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Peguis 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 auditors' 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 financial management of Peguis First Nation and meet when required.



Chief

Councillor



Councillor



Councillor



Councillor



Councillor

Councillor

INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Peguis First Nation

Qualified Opinion

We have audited the accompanying consolidated financial statements of Peguis First Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, changes in net assets 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 of the matters described in the Basis for Qualified Opinion Paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Peguis First Nation as at March 31, 2022, and its consolidated statement of operations, changes in net assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We were unable to obtain third party confirmation from the receivers of Bridging Finance Inc., a major creditor of the First Nation which is in receivership. Thus, we were not provided with sufficient and appropriate evidence to support the existence and completeness of demand loan owing by the First Nation. Therefore, we were not able to determine whether any adjustments might be necessary to interest expense, annual surplus, and cash flows from operations for the year ended March 31, 2022, and demand debt, net debt and accumulated surplus as at March 31, 2022. The predecessor auditor's opinion for the year ended March 31, 2021 was also modified for this matter.

The First Nation has debt financed and loaned funds for investments to its affiliates, Chief Peguis Investment Corporation, Peguis Development Corporation and Chief Peguis Investment Trust. We were unable to obtain sufficient appropriate audit evidence over the valuation, completeness and existence of the loans. Therefore, we were not able to determine whether any adjustments might be necessary to impairment expense, and annual surplus for the year ended March 31, 2022, as well as accounts receivable, investments and net debt as of March 31, 2022, and March 31, 2021. The predecessor auditor's opinion for the year ended March 31, 2021 was also modified for this matter.

The First Nation has affiliates and contractors who manage construction contracts for the First Nation's benefit. The accounts payable related to these construction projects is not susceptible to satisfactory audit verification and we were not able to obtain sufficient appropriate audit evidence over the completeness of accounts payable. Therefore, we were not able to determine whether any adjustments might be necessary to accounts payable, net debt, tangible capital assets, accumulated surplus, expenditures, annual surplus and cash flows from operations and investments for the year ended March 31, 2022. The predecessor auditor's opinion for the year ended March 31, 2021 was also modified for this matter.

(continued....)

During the year the First Nation had completed a significant write off of related party receivables and payables between the related entities. We were unable to obtain sufficient appropriate audit evidence over the valuation, completeness and existence of the related party balances. We were not able to obtain sufficient appropriate audit evidence over the completeness, occurrence and accuracy of the revenue and expenditures between the related parties. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, expenditures, annual surplus, and cash flows from operations for the year ended March 31, 2022, and accumulated surplus as of March 31, 2022.

Due to the unavailability of accounting records for the Jordan's Principle entity, the financial information is not consolidated for the year ended March 31, 2022. Therefore, we were not able to report or determine whether any adjustments might be necessary for the entity's assets, liabilities, net debt, revenue, expenditures, annual surplus, accumulated surplus and cash flows from operations in these consolidated financial statements for the year ended March 31, 2022.

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 Entity 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements which indicates that management has assessed that the First Nation's debt servicing requirements and level of third party debt indicate the existence of a material uncertainty that may cast doubt about the First Nation's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Other Matter

The financial statements for the year ended March 31, 2021, were audited by another auditor who expressed a qualified opinion on those financial statements on October 15, 2021 for the reasons described in the Basis for Qualified Opinion section.

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 Peguis 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 Peguis First Nation or to cease operations, or has no realistic alternative but to do so.

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

(continued.....)

Auditor's Responsibility 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 Peguis 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 Peguis 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 Peguis 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
March 8, 2023

PEGUIS FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2022	2021
FINANCIAL ASSETS		
Cash	\$ 12,918,245	\$ 6,322,621
Restricted cash (Note 3)	4,548,145	6,089,464
Accounts receivable (Note 4)	3,735,160	34,235,382
Inventories	609,703	
Long-term investments (Note 5)	113,725	1,183,599
Total financial assets	<u>21,924,978</u>	<u>47,831,066</u>
LIABILITIES		
Demand loans (Note 6)	25,301,325	136,398,142
Accounts payable and accrued liabilities (Note 7)	4,552,108	9,149,346
Accrued termination entitlement (Note 8)	415,504	2,427,921
Deferred revenue (Note 9)	16,425,044	11,393,508
Long-term debt (Note 10)	10,690,391	10,331,978
Total liabilities	<u>57,384,372</u>	<u>169,700,895</u>
Net debt	<u>(35,459,394)</u>	<u>(121,869,829)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	153,171,347	157,370,038
Prepaid expenses	414,172	346,789
Inventories	-	17,258
Total non-financial assets	<u>153,585,519</u>	<u>157,734,085</u>
Accumulated surplus	<u>\$ 118,126,125</u>	<u>\$ 35,864,256</u>

Approved on behalf of Chief and Council


Chief

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 2	2 0 2 1
REVENUE			
Indigenous Services Canada	\$ 46,867,131	\$ 72,069,281	\$ 64,975,533
First Nations and Inuit Health	9,839,938	13,235,211	10,976,043
Canada Mortgage and Housing Corporation	554,921	4,290,777	384,833
Employment and Social Development Canada	2,611,800	2,819,170	2,546,010
Canadian Heritage		182,927	
RCMP Housing		67,200	67,200
Administration fees	1,979,692	3,757,129	1,022,030
Ambulance fees	500,000	1,178,712	505,447
Community trust funding	873,833	1,425,358	1,929,463
Community services	740,972	363,885	831,094
Gaming revenue	2,957,400	2,637,493	845,641
Hockey, arena and fundraising	379,850	276,852	78,364
Own source development	1,620,000	4,003,403	4,747,109
Province of Manitoba	1,800,000	1,255,464	1,191,206
Red Eagle Bingo Committee	1,010,500	96,850	441,400
Rental and user fees	811,853	1,452,412	710,998
Sundry income, interchanges and cost recoveries	3,872,079	5,899,976	4,099,915
Assembly of Manitoba Chiefs Secretariat Inc.	511,220	412,433	250,406
Eliminations	-	(3,860,299)	(1,476,786)
	<u>76,931,189</u>	<u>111,564,234</u>	<u>94,125,906</u>
EXPENDITURES			
Finance and administration	18,500,249	36,163,484	30,846,464
Social development	7,793,179	8,790,284	9,723,505
Training and development	2,432,072	3,482,730	3,013,167
Education	25,126,951	22,658,989	17,905,181
Health services	7,956,788	20,857,042	19,532,736
Public works	3,447,350	3,024,101	2,453,568
Community services	826,455	6,394,201	2,159,278
Treaty land entitlement	425,833	477,384	924,312
Senior centre	2,765,729	2,921,406	2,577,637
Housing	2,944,014	10,784,014	4,285,254
Own source development	2,284,051	3,074,191	5,556,507
Special projects	2,520,444	962,955	552,713
Gaming	5,360,204	2,389,781	1,867,735
Eliminations	-	(3,860,299)	(1,476,786)
	<u>82,383,319</u>	<u>118,120,263</u>	<u>99,921,271</u>
ANNUAL DEFICIT BEFORE OTHER ITEMS	(5,452,130)	(6,556,029)	(5,795,365)
Debt adjustment on demand loans <i>(Note 6)</i>		111,072,762	
Bad debt for receivable from Chief Peguis Investment Corp.	-	(22,254,864)	-
ANNUAL SURPLUS (DEFICIT)	(5,452,130)	82,261,869	(5,795,365)
ACCUMULATED SURPLUS, beginning of year	<u>35,864,256</u>	<u>35,864,256</u>	<u>41,659,621</u>
ACCUMULATED SURPLUS, end of year	\$ <u>30,412,126</u>	\$ <u>118,126,125</u>	\$ <u>35,864,256</u>

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2022	2021
Annual surplus (deficit)	\$(5,452,130)	\$ 82,261,869	\$(5,795,365)
Acquisition of tangible capital assets		(7,531,789)	(10,621,491)
Amortization of tangible capital assets		6,482,671	5,154,267
Disposal of tangible capital assets		6,172,700	
Transfer of tangible capital assets from own source development	-	(924,891)	-
	-	4,198,691	(5,467,224)
Acquisition of prepaid expenses		(414,172)	(346,789)
Use of prepaid expenses	-	346,789	39,986
	-	(67,383)	(306,803)
Acquisition of inventories			(17,258)
Use of inventories	-	17,258	41,732
	-	17,258	24,474
CHANGE IN NET DEBT FOR YEAR	(5,452,130)	86,410,435	(11,544,918)
NET DEBT, <i>beginning of year</i>	(121,869,829)	(121,869,829)	(110,324,911)
NET DEBT, <i>end of year</i>	\$(127,321,959)	\$(35,459,394)	\$(121,869,829)

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31

	2 0 2 2	2 0 2 1
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Annual surplus (deficit)	\$ 82,261,869	\$(5,795,365)
Items not affecting cash:		
Amortization of capital assets	6,482,671	5,154,267
Debt adjustment on demand loans	(111,072,762)	-
	(22,328,222)	(641,098)
Changes in non-cash working capital balances		
Accounts receivable	30,500,222	(978,818)
Inventories	(592,445)	24,474
Long-term investments	1,069,874	
Prepaid expenses	(67,383)	(306,803)
Accounts payable	(4,597,238)	(1,471,794)
Accrued termination entitlement	(2,012,417)	(58,930)
Deferred revenue	5,031,536	2,573,539
	7,003,927	(859,430)
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets	(7,531,789)	(10,621,491)
Disposal of tangible capital assets	6,172,700	
Transfer of tangible capital assets	(924,891)	-
	(2,283,980)	(10,621,491)
<i>FINANCING ACTIVITIES</i>		
Demand and long term loan proceeds	1,121,533	24,699,606
Repayment of long-term debt	(787,175)	(9,820,521)
	334,358	14,879,085
NET INCREASE IN CASH DURING YEAR	5,054,305	3,398,164
CASH, <i>beginning of year</i>	12,412,085	9,013,921
CASH, <i>end of year</i>	\$ 17,466,390	\$ 12,412,085
CASH COMPRISED OF		
Cash	\$ 12,918,245	\$ 6,322,621
Restricted cash	4,548,145	6,089,464
	\$ 17,466,390	\$ 12,412,085

PEGUIS FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared 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.

REPORTING ENTITY

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

These financial statements consolidate the assets, liabilities and results of operations for Peguis First Nation and use accounting standards which lend themselves to consolidation. All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific segment, transactions amongst programs have been eliminated on the segment disclosures separately.

The followings entities' results of operations are included in these financial statements under the full consolidation method:

Unincorporated Departments:

- Peguis School Board
- Peguis Health Services
- Peguis Training and Employment
- Peguis Gaming Commission
- Peguis Treaty Committee
- Peguis Recreation Committee
- Peguis Arena Committee
- Peguis TLE Implementation Office

Subsidiaries and Incorporated Non-Profits (100% owned/controlled):

- Peguis Senior Centre Inc.
- Fisher Ambulance Service Ltd.
- Peguis AI-Care Treatment Centre Board of Directors Inc.
- 6223291 Manitoba Ltd.
- 6780734 Manitoba Ltd.
- Peguis Housing Authority Inc.
- CP Industries Limited Partnership
- Chief Peguis One Stop Limited Partnership
- Chief Peguis Pharmacy Limited Partnership
- The Tobacco Store Limited Partnership
- Selkirk One Stop Limited Partnership
- Peguis Midway

The financial information for the above unincorporated departments and incorporated entities included in these financial statements is for the year ended March 31, 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND 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 AND CASH EQUIVALENTS

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

RESTRICTED CASH

Restricted cash balances represent assets segregated for use for replacement reserves in accordance with Canada Mortgage and Housing Corporation and First Nations and Inuit Health operating agreements. Restricted cash includes trust funds held by Indigenous Services Canada and legal counsel and cash held as security for long term debt.

INVESTMENTS

Portfolio investments are recorded at fair market value. First Nation's investments in various commercial enterprises are accounted for using the modified equity method. Under the modified equity method, the cost of the investments are adjusted for First Nation's share of the commercial enterprises' income or loss less dividends.

NET ASSETS (DEBT)

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net assets (debt) of the First Nation is determined by its financial assets less liabilities. Net assets (debt) combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are stated at cost and recorded in the capital assets. 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. Crown lands received by Treaty Land Entitlement process are not recorded unless these are purchased by the First Nation.

Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates:

Automotive	20%
Buildings	2.5 - 5%
Equipment	6 - 20%
Infrastructure	5%

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Social housing assets acquired under Canada Mortgage and Housing Corporation sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt.

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

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

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

SEGMENTS

The First Nation conducts its business through a number of reportable segments. 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.

Finance and Administration

Finance and Administration contains activities that are needed to run the Peguis Indian Band organization.

Social Development and Income Assistance

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

Training and Development

Training and 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.

Education

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

Health Services

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

Public Works

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*Housing

Housing contains activities that provide housing and repairs and maintenance to Band members' housing and other related infrastructure and construction services to third parties.

Own Source Development

Own Source Development contains activities related to the businesses controlled in part by the Band.

Gaming

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

REVENUE RECOGNITION

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

PROVISION FOR LOSSES ON LOAN GUARANTEES

A provision for losses on loan guarantees is recorded when it is determined that the loss is likely and the amount of the provision can be estimated. The provision is reviewed on an ongoing basis and changes in the provision are recorded as expense in the year they become known.

FINANCIAL INSTRUMENTS

Financial instruments include cash, accounts receivable, investments, accounts payable and accrued liabilities 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. Unless otherwise stated, the carrying value of 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 debt and investments, the carrying value as presented in 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 period in which it becomes known. For investments in government business enterprises and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**USE OF ESTIMATES*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates. Items requiring significant estimates include the allowance for doubtful accounts and the useful life of tangible capital assets.

Measurement uncertainty exists specifically in the determination of accounts receivable, loans receivable and long-term investments, useful life capital assets, termination entitlements and unexpected funding. The recovery of eligible costs and reconciliation of funding provided for emergency flood operations and other restricted funding is dependent upon future events.

2. GOING CONCERN UNCERTAINTY

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a pandemic resulting in economic uncertainties impacting the First Nation. As the impacts of COVID-19 continue, there could be further impact on the First Nation, its members, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the First Nation's assets and future ability to deliver services and projects. While the First Nation is confident that essential services will continue to be delivered and it will continue as a going concern, it is unknown if the return from investments or repayments of loans from affiliates will enable the First Nation to fulfill its debt obligations.

The First Nation's ability to continue delivering non-essential services and employ related staff, will depend on the funding available from its various government funders and also on its ability to generate sufficient returns from its business investments and on the successful negotiation with a new lender for long term credit facilities. The First Nation will continue to focus on managing its cashflows and leveraging existing cash reserves and available credit facilities to ensure it is able to continue providing essential services to its members and will renegotiate the debt obligations with its lenders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

3. RESTRICTED CASH

BMO Treasury Accounts for Housing

Under the terms of the Funding direction with the Peguis Surrender Trust, \$3,500,000 was to be placed into a treasury account for future project development. These funds have been utilized to enhance housing projects.

CMHC Replacement Reserve

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to tangible capital assets. Under the terms of the agreements with CMHC, the replacement reserve is to be credited in the amount of \$55,933 (2021 - \$55,933) annually. The funds along with the accumulated interest 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. Withdrawals are charged to interest first and then principal. At March 31, 2022, \$540,610 (2021 - \$585,773) had been deposited into separate accounts leaving an under funded balance of \$16,776 (2021 - nil).

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. 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 Fund is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Council.

	2 0 2 2	2 0 2 1
Externally Restricted Reserves		
BMO treasury accounts for housing	\$ 4,815	\$ 4,864
CMHC replacement reserve	540,610	585,773
Ottawa trust fund		1,971
CMHC Rapid Housing Initiative		3,871,759
PEM Hospital	<u>4,002,720</u>	<u>1,625,097</u>
	<u>\$ 4,548,145</u>	<u>\$ 6,089,464</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022
4. ACCOUNTS RECEIVABLE

	2 0 2 2	2 0 2 1
Indigenous Services Canada		
Current funding received after year-end	\$ 33,719	\$ 806,680
Accounts receivable - trade	3,610,488	6,461,224
Advances and loans receivable	734,492	224,471
Due from Chief Peguis Investment Corp (CPIC)	24,300,026	24,300,026
Due from related parties	711,284	2,299,568
Flooding receivables		10,965,502
GST receivable	507,966	396,125
Other receivables	1,859,955	75,838
Province of Manitoba	-	501,206
	<u>31,757,930</u>	<u>46,030,640</u>
Less:		
Allowance for doubtful accounts - CPIC	(24,300,026)	(2,045,162)
Allowance for doubtful accounts	(3,722,744)	(9,750,096)
	<u>\$ 3,735,160</u>	<u>\$ 34,235,382</u>

5. LONG TERM INVESTMENTS

	2 0 2 2	2 0 2 1
Loans receivable from Chief Peguis Investment Trust	\$	\$
Demand promissory notes receivable in arrears, unsecured, non-interest bearing (originally repayable upon demand in 24 monthly installments of principal)	1,069,974	1,069,974
Investments		
Aseneskak Casino Limited Partnership	50,013	50,013
Aseneskak Company Inc. Class A Common Shares	13,607	13,607
Ambulance	100	
Chief Peguis Industries Limited Partnership	1	1
Chief Peguis One Stop Limited Partnership	1	1
Chief Peguis Pharmacy Limited Partnership	1	1
Mississippi Rail Limited Partnership	<u>50,002</u>	<u>50,002</u>
	<u>1,183,699</u>	<u>\$ 1,183,599</u>
Allowance for decline in value	(1,069,974)	-
	<u>\$ 113,725</u>	<u>\$ 1,183,599</u>

The loans receivable is related to the sale of Peguis Hardware LP, Peguis Foods LP, and Peguis Midway LP to Chief Peguis Investment Trust in 2014 for the sum of \$1,600,000 in aggregate. The original loan amount was demanded in previous years resulting in partial repayment prior to 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

6. DEMAND LOANS

	2 0 2 2	2 0 2 1
Bridging Finance Inc., including accrued interest	\$ 25,000,000	\$136,072,762
Royal Bank of Canada demand housing loan	<u>301,325</u>	<u>325,380</u>
	\$ <u>25,301,325</u>	\$ <u>136,398,142</u>

The Royal Bank of Canada bank overdrafts and demand facilities are due on demand and bear interest at 1.36% (2021 - 1.43%) They are secured by a Directional Payment Agreement acknowledged by the Federal Government agencies covering all funding.

The Bridging Finance Inc. demand loan is due on demand and bears interest at the Bank of Montreal Prime Rate plus 11%. The facility may be prepaid in full or partially at any time. The demand loan is secured by a general security agreement, registered mortgages on land, assignment of leases and rents, assignment of all property and perils insurance.

In June 2020 the servicing requirement of the loan was modified to temporarily reduce interest payments to \$300,000 a month while the community is under state of emergency. During the modification, unpaid interest continues to accrue at the initial interest rate and principal repayment has been deferred. The loan facilities mature and are payable in full on the earliest of: (i) June 30, 2021; (ii) a default under loan agreement or (iii) demand by the lender in partial or full demand.

On December 30, 2022, a claim was filed by the receiver of Bridging Finance Inc. in relation to the demand loans in Manitoba Court of King's Bench, against Chief and Council, Peguis First Nation, Peguis Development Corporation, and Chief Peguis Investment Corporation in the amount of \$113 million in principal plus \$56 million dollars of interest. Chief and Council and Peguis First Nation obtained legal advice regarding this manner, challenging the validity of the authentication of the contracts, which it was deemed invalid. Thus, a Band Council Resolution Chronological no. FY 2022/2023 - 105 was passed and signed by Chief and Council to write down the loan to \$25 million dollars, not accruing any further interest or additional costs.

7. ACCOUNTS PAYABLE

	2 0 2 2	2 0 2 1
Accounts payable - trade	\$ 3,047,567	\$ 2,067,481
Accrued liabilities	542,869	5,978,051
Government remittances	106,181	86,511
Group insurance payable	76,946	88,128
Holdback payable		(619,536)
Mortgage guarantee provision		1,202,966
Pension payable	94,220	53,696
Accrued wages	408,780	292,049
Due from related parties	<u>275,545</u>	<u>-</u>
	\$ <u>4,552,108</u>	\$ <u>9,149,346</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2022
8. ACCRUED TERMINATION ENTITLEMENT

During the 2022 fiscal year, the termination entitlements were settled to the majority of Chief and Council and employees who qualified for the severance under the valuation conducted. Any outstanding amounts are to be settled in full by March 31, 2023. Management believes that there will be no further actions by current or past employees to further contest the validity of the valuation, as outlined on their settlement agreement.

	2 0 2 2	2 0 2 1
Balance, <i>beginning of year</i>	\$ 2,427,921	\$ 2,486,851
Net increase (decrease) in termination entitlements	(2,012,417)	(58,930)
Balance, <i>end of year</i>	\$ <u>415,504</u>	\$ <u>2,427,921</u>

9. DEFERRED REVENUE

	2 0 2 2	2 0 2 1
Indigenous Services Canada		
Capital Housing (5 Units)	\$ 1,516,105	\$
Housing	1,315,257	
Planning On Reserve O & M Housing	70,000	
Skill Link	232,193	232,193
Structural Mitigation	854,448	
Water Systems	2,900,470	
Well and Septic Field Study	1,691,760	
2014 Flood Repairs Project		1,050,000
Cultural	87,634	
Fixed Contribution Tuition and Allowances	32,178	
ISC - Institutional Care - Type 1	<u>29,105</u>	<u>136,802</u>
	<u>8,729,150</u>	<u>1,418,995</u>
First Nations and Inuit Health		
Administration		22,879
Capital Investments		1,000,000
Client Insured Service		167,390
Climate Change and Health Adaptation	81,025	90,000
Home and Community Care Policy Development	300,000	
Medical Transportation	192,526	
Percy E. Moore Hospital and Renovation	3,427,778	1,660,503
Peguis AI-Care Treatment Centre	<u>1,882,987</u>	<u>906,453</u>
	<u>5,884,316</u>	<u>3,847,225</u>
Other		
Community Comprehensive Planning (CCP)	36,231	
Culture and Language	116,573	
Peguis Community Support Services	148,660	
Selkirk Support Services	222,736	
Rapid Housing CMHC		3,868,587
Selkirk Youth Hub	71,948	
Septic Buddy Installation	27,848	116,858
Training and Employment	1,187,582	1,726,673
Trust monies - Community Services	<u>-</u>	<u>415,170</u>
	<u>1,811,578</u>	<u>6,127,288</u>
	\$ <u>16,425,044</u>	\$ <u>11,393,508</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

10. LONG TERM DEBT

	2 0 2 2	2 0 2 1
CMHC mortgage payable, interest at 1.86%, repayable in monthly installments of \$7,539 (P&I), due April 2024.	\$ 580,219	\$ 659,135
CMHC mortgage payable, interest at 1.01%, repayable in monthly installments of \$6,909 (P&I), due August 2026.	706,754	783,240
CMHC mortgage payable, interest at 1.87%, repayable in monthly installments of \$10,808 (P&I), due May 2024.	1,410,933	1,513,302
CMHC mortgage payable, interest at 1.13%, repayable in monthly installments of \$5,275 (P&I), due June 2026.	1,069,287	1,121,130
CMHC mortgage payable, interest at 1.84%, repayable in monthly installments of \$4,128 (P&I), due September 2022.	469,390	509,919
Mortgage payable, interest at nil, one time balloon payment of \$7,000,000, due September 2038, secured by a mortgage on land, recorded at initial present value and remeasured annually.	3,206,302	2,390,771
School bus loan payable, interest at 5.00%, repayable in monthly installments of \$3,577 (P&I), due March 2025.	129,950	71,673
School bus loan payable, interest at 7.99%, repayable in monthly installments of \$570 (P&I), due February 2023.	13,654	26,841
School bus loan payable, interest at 5.50%, repayable in monthly installments of \$3,287 (P&I), due February 2025.		135,506
Vehicle loans and leases payable, interest ranging from 7.40% to 5.50%, repayable in monthly installments ranging from \$659 to \$10,828 (P&I), due at various time between August 2021 and October 2025.	2,945,524	3,020,599
CMHC advance, Proposal Development Funding for constructing a new affordable personal care home on the Peguis First Nation.	100,000	99,862
First People's Economic Growth Fund Inc. loan payable, interest-free, repayable in monthly installments of \$3,523 principal, maturing February 2024, secured by a general security agreement.	52,878	
McKesson Canada Corporation loan payable, interest-free, repayable in monthly installments of \$250 principal, maturing January 2024, secured by a general security agreement.	5,500	-
	<u>\$ 10,690,391</u>	<u>\$ 10,331,978</u>

CMHC loans are secured by an ISC Ministerial Guarantee, a CMHC loan agreement and an assignment of fire insurance.

The scheduled principal amounts payable within the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2023	\$ 1,459,004
2024	1,393,815
2025	1,445,961
2026	396,320
2027	376,363

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

11. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals, Write-offs & Adjustments	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Adjustments	Closing Balance	Total 2 0 2 2	Total 2 0 2 1
Automotive	\$ 16,520,412	\$ 1,136,258	\$ 1,147,629	\$ 18,804,299	\$10,566,129	\$ 1,687,551	\$ 531,147	\$ 12,784,827	\$ 6,019,472	\$ 5,954,283
Buildings	123,612,191	4,438,735	12,196,369	140,247,295	44,657,933	4,531,350	249,606	49,438,889	90,808,406	78,954,258
Equipment	6,199,424	243,071	(32,095)	6,410,400	5,114,063	118,809	16,961	5,249,833	1,160,567	1,085,361
Land and Infrastructure	55,732,543	50,838	5,734,224	61,517,605	17,200,383	144,961		17,345,344	44,172,261	38,532,160
Construction in progress	<u>32,843,976</u>	<u>1,662,887</u>	<u>(23,496,222)</u>	<u>11,010,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,010,641</u>	<u>32,843,976</u>
	<u>\$ 234,908,546</u>	<u>\$ 7,531,789</u>	<u>\$ (4,450,095)</u>	<u>\$ 237,990,240</u>	<u>\$77,538,508</u>	<u>\$ 6,482,671</u>	<u>\$ 797,714</u>	<u>\$ 84,818,893</u>	<u>\$ 153,171,347</u>	<u>\$ 157,370,038</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

12. CONTINGENT LIABILITIES

- a) The First Nation has signed agreements with various government bodies for funding of programs which may require that surpluses be returned. If any amounts become repayable, they will be accounted for in the year of determination.
- b) The First Nation has guaranteed a line of credit of \$75,000 for Peguis Hardware LP. At March 31, 2022, the limited partnership had \$75,000 of undrawn capacity under this facility. (2021 - \$75,000).
- c) The First Nation has been named in a countersuit with a former advisor for contingency and other billings. Legal counsel has advised that it is unlikely that the countersuit will be successful. The First Nation's claim against the advisor may provide a recovery of \$3,200,000 to \$5,000,000 of costs already paid. A provision for this claim has not been made in the financial statements as this is dependent upon future events.
- d) On December 30, 2022, a claim was filed by the receiver of Bridging Finance Inc. in relation to the demand loans described in Note 6 in Manitoba Court of King's Bench, against Chief and Council, Peguis First Nation, Peguis Development Corporation, and Chief Peguis Investment Corporation in the amount of \$113 million in principal plus \$56 million dollars of interest. Chief and Council and Peguis First Nation had sought legal advice challenging the validity of the authentication of all of the documents signed; the validity of parties to the Comprehensive Funding Agreement and whether arrangements are valid as to sections 89 and 90 of the Indian Act; and whether a creditor's reliance on section 89(1) waiver for a different and higher debt amount is valid. Peguis' legal counsel believes that the BMO Section 89 Waiver, with references to section 89 and 90 of the Act in the BMO Loan Documents, and that \$23 million which are linked to BMO Facilities are not protected by section 89(1) of the Act. The remaining balance of the loans obtained, required BFI to obtain fresh section 89 waivers as opposed to the one assigned to the BMO loan. Thus, Chief and Council have written down the loan to \$25 million dollars, not accruing any further interest or additional costs. It is unknown whether the claim or counterclaim will be successful and the ultimate liability of the First Nation is not presently determinable.
- e) The First Nation defends itself from claims from time to time based on its operations. Management believes it has valid defences to minimize risk of possible loss. In the event any claims are successful management will recognize the potential loss once amounts are confirmed or are reasonably estimated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

13. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

2 0 2 2

Arrangement: #2021-MB-000013	\$ 93,768,653
Peguis AI-Care Government Funding	<u>3,117,378</u>
	96,886,031
Deferred from prior year	
I.S.C.	1,418,995
F.N.I.H.	3,847,225
Deferred to following year	
I.S.C.	(8,729,150)
F.N.I.H.	(5,884,316)
Flexible contribution funding transferred to Jordan's Principle	(1,800,750)
Block contribution funding transferred to Peguis Development Corporator	<u>(433,543)</u>
TOTAL I.S.C. REVENUE PER FINANCIAL STATEMENTS	\$ <u>85,304,492</u>

REVENUE PER STATEMENT OF OPERATIONS (Statement 2)

Indigenous Services Canada	\$ 72,069,281
First Nations and Inuit Health	<u>13,235,211</u>
	\$ <u>85,304,492</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

14. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 2	2 0 2 1
Administration	\$ 4,584,684	\$
Amortization	6,482,671	5,154,267
Bad debt	5,824,820	4,439,819
Bingo payouts	560,311	773,672
Contractors	4,523,862	10,213,458
Donations and programs	4,654,420	3,335,486
Equipment	39,683	
Insurance	1,227,709	1,370,354
Interest on long term debt	2,414,338	17,765,441
Loss on investment	8,819,418	
Materials and supplies	6,609,312	67,529
Medical travel	960,277	715,339
Office and administration	2,737,650	3,004,941
Other	1,319,671	345,578
Post secondary	4,249,882	2,896,466
Professional fees	4,956,139	1,815,429
Rent	2,974,185	1,602,315
Repairs and maintenance	5,906,635	3,752,208
Salaries and benefits	39,899,503	28,444,068
Social assistance	7,686,860	9,492,611
Training and development	2,256,845	3,276,202
Travel	931,068	1,501,722
Utilities	2,360,619	1,431,152
Eliminations	(3,860,299)	(1,476,786)
	<u>\$ 118,120,263</u>	<u>\$ 99,921,271</u>

15. RELATED PARTY TRANSACTIONS

In the normal course of business 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 related parties aggregate revenue and expenditures derived from related parties is not determinable.

16. ECONOMIC DEPENDENCE

Peguis First Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada.

17. COMPARATIVE FIGURES

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

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

18. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause staff shortages, increased or reduced funding availability, increased or decreased demand for services, increased government regulations or interventions, all of which may negatively impact the financial conditions or results of operations of the First Nation. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

19. SEGMENT DISCLOSURE

Peguis First Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

	Finance and Administration		Social Development		Training and Development		Education		Health Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues										
ISC	\$ 2,337,187	\$ 13,802,059	\$ 14,716,899	\$ 11,964,003	\$ 242,695	\$ 455,964	\$ 29,525,038	\$ 16,878,027	\$ 3,135,403	\$ 7,661,417
FNIH									12,187,942	10,808,426
CMHC										
ESDC										
Other	-	-	-	-	2,819,170	2,546,010	182,927	-	-	-
Subtotal	2,337,187	13,802,059	14,716,899	11,964,003	3,061,865	3,001,974	29,707,965	16,878,027	15,323,345	18,469,843
Other revenue	115,378,108	19,802,699	319,477	81,738	589,033	421,265	2,084,651	(16,009,516)	1,624,680	1,401,626
Total revenue	117,715,295	33,604,758	15,036,376	12,045,741	3,650,898	3,423,239	31,792,616	868,511	16,948,025	19,871,469
Expenses										
Amortization	3,444,729	2,268,125					2,037,329	2,078,581	53,183	107,437
Debt servicing	2,257,178	17,633,164	3,217	2,751			9,080		2,150	
Other	49,940,313	9,100,156	8,465,845	9,246,666	1,867,068	1,967,761	10,204,620	6,382,747	7,479,509	11,553,655
Salaries and benefits	2,776,128	1,845,019	321,222	474,088	1,615,662	1,045,406	10,407,960	9,443,853	13,322,200	7,871,644
Total expenses	58,418,348	30,846,464	8,790,284	9,723,505	3,482,730	3,013,167	22,658,989	17,905,181	20,857,042	19,532,736
Surplus (Deficit)	\$ 59,296,947	\$ 2,758,294	\$ 6,246,092	\$ 2,322,236	\$ 168,168	\$ 410,072	\$ 9,133,627	\$ (17,036,670)	\$ (3,909,017)	\$ 338,733

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

19. SEGMENT DISCLOSURE (continued)

	Public Works		Community Services		Treaty Land Entitlement		Senior Centre		Housing	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues										
ISC	\$ 2,414,300	\$ 5,494,238	\$ 2,237,514	\$ 1,183,688	\$	\$	\$ 2,594,865	\$ 2,535,229	\$ 8,883,132	\$ 4,646,048
FNIH			224,544	167,617					822,725	
CMHC									4,290,777	384,833
ESDC										
Other	-	-	67,200	67,200	-	-	-	-	-	-
Subtotal	2,414,300	5,494,238	2,529,258	1,418,505	-	-	2,594,865	2,535,229	13,996,634	5,030,881
Other revenue	115,914	48,781	1,747,574	592,349	468,193	966,388	321,149	213,170	1,563,539	986,536
Total revenue	2,530,214	5,543,019	4,276,832	2,010,854	468,193	966,388	2,916,014	2,748,399	15,560,173	6,017,417
Expenses										
Amortization	53,150	93,261		196			4,300	4,300	517,231	375,339
Debt servicing	4,261	5,549	35,324						86,870	86,666
Other	2,112,651	1,754,393	3,636,507	1,147,475	191,910	307,560	812,043	712,130	8,479,299	2,255,101
Salaries and benefits	854,039	600,365	2,722,370	1,011,607	285,474	616,752	2,105,063	1,861,207	1,700,614	1,568,148
Total expenses	3,024,101	2,453,568	6,394,201	2,159,278	477,384	924,312	2,921,406	2,577,637	10,784,014	4,285,254
Surplus (Deficit)	\$ (493,887)	\$ 3,089,451	\$ (2,117,369)	\$ (148,424)	\$ (9,191)	\$ 42,076	\$ (5,392)	\$ 170,762	\$ 4,776,159	\$ 1,732,163

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

19. SEGMENT DISCLOSURE (continued)

	Own Source Development		Special Projects		Gaming		Eliminations		TOTAL	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues										
Federal Government										
ISC	\$ 5,982,248	\$	\$	\$	\$	354,860	\$	\$	\$ 72,069,281	\$ 64,975,533
FNIH									13,235,211	10,976,043
CMHC									4,290,777	384,833
ESDC									2,819,170	2,546,010
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,127</u>	<u>67,200</u>
Subtotal	5,982,248	-	-	-	-	354,860	-	-	92,664,566	78,949,619
Other revenue	<u>5,076,914</u>	<u>6,616,706</u>	<u>622,478</u>	<u>199,575</u>	<u>3,921,019</u>	<u>1,331,756</u>	<u>(3,860,299)</u>	<u>(1,476,786)</u>	<u>129,972,430</u>	<u>15,176,287</u>
Total revenue	<u>11,059,162</u>	<u>6,616,706</u>	<u>622,478</u>	<u>199,575</u>	<u>3,921,019</u>	<u>1,686,616</u>	<u>(3,860,299)</u>	<u>(1,476,786)</u>	<u>222,636,996</u>	<u>94,125,906</u>
Expenses										
Amortization	263,562	110,775			109,187	116,253			6,482,671	5,154,267
Debt servicing	12,849	37,173			3,409	138			2,414,338	17,765,441
Other	500,663	4,060,514	585,073	233,162	1,163,413	1,312,961	(3,860,299)	(1,476,786)	91,578,615	48,557,495
Salaries and benefits	<u>2,297,117</u>	<u>1,348,045</u>	<u>377,882</u>	<u>319,551</u>	<u>1,113,772</u>	<u>438,383</u>	<u>-</u>	<u>-</u>	<u>39,899,503</u>	<u>28,444,068</u>
Total expenses	<u>3,074,191</u>	<u>5,556,507</u>	<u>962,955</u>	<u>552,713</u>	<u>2,389,781</u>	<u>1,867,735</u>	<u>(3,860,299)</u>	<u>(1,476,786)</u>	<u>140,375,127</u>	<u>99,921,271</u>
Surplus (Deficit)	<u>\$ 7,984,971</u>	<u>\$ 1,060,199</u>	<u>\$ (340,477)</u>	<u>\$ (353,138)</u>	<u>\$ 1,531,238</u>	<u>\$ (181,119)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,261,869</u>	<u>\$ (5,795,365)</u>