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LITTLE GRAND RAPIDS FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2022

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**LITTLE GRAND RAPIDS 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 Little Grand Rapids First Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

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

The First Nation's Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Management reviews the First Nation's financial statements with Chief and Council and recommends their approval. The 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 annual report, the financial statements and the external auditors' report.

The consolidated financial statements have been audited by Baker Tilly HMA LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Baker Tilly HMA LLP has full and free access to the Management and Chief and Council.

Chief

Councillor

Councillor

Councillor

**INDEPENDENT AUDITOR'S REPORT**

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To the Chief, Council and Membership  
Little Grand Rapids First Nation

**Opinion**

We have audited the accompanying consolidated financial statements of Little Grand Rapids First Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Little Grand Rapids 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 Little Grand Rapids 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 Little Grand Rapids 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 Little Grand Rapids First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Little Grand Rapids 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 Little Grand Rapids 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 Little Grand Rapids 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 Little Grand Rapids 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  
October 12, 2022

# LITTLE GRAND RAPIDS FIRST NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31

2022

2021

### FINANCIAL ASSETS

Cash	\$ 6,030,446	\$ 6,114,388
Restricted cash (Note 3)	8,652,300	10,819,706
Accounts receivable (Note 4)	4,100,478	1,606,437
Inventory (Note 5)	576,994	386,354
Investments (Note 6)	<u>3,027,701</u>	<u>1,822,512</u>
	<u>22,387,919</u>	<u>20,749,397</u>

### LIABILITIES

Accounts payable and accrued liabilities (Note 7)	5,903,214	9,119,848
Deferred revenue (Note 8)	8,091,532	4,453,669
Long term debt (Note 9)	<u>7,995,177</u>	<u>7,948,493</u>
	<u>21,989,923</u>	<u>21,522,010</u>
Net assets (debt)	<u>397,996</u>	( 772,613)

### NON-FINANCIAL ASSETS

Tangible capital assets (Note 11)	57,384,924	58,064,257
Construction in progress (Note 13)	32,876,214	26,325,317
Prepaid expenses	<u>454,074</u>	<u>107,719</u>
	<u>90,715,212</u>	<u>84,497,293</u>
Accumulated surplus	<u>\$ 91,113,208</u>	<u>\$ 83,724,680</u>

Approved by Chief and Council

Chief



Councillor



Councillor

Councillor

# LITTLE GRAND RAPIDS FIRST NATION

STATEMENT 2

## STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2022	2021
<b>REVENUE</b>			
Indigenous Services Canada	\$ 18,096,159	\$ 24,448,984	\$ 25,154,643
First Nations and Inuit Health	5,444,594	3,120,693	3,534,736
Canada Mortgage and Housing Corporation	2,788,893	1,326,607	608,052
Employment and Social Development Canada	471,580	301,069	241,719
Canadian Heritage			38,000
Southeast College distributions	500,000	500,000	
Assembly of Manitoba Chiefs			747,392
Band generated revenue	3,858,337	2,294,092	2,881,917
South Beach Casino Partnership income		1,373,700	
Rental	606,171	604,371	290,470
Other revenue	2,599,678	3,006,132	1,794,676
Elimination for inter-department transactions	<u>-</u>	<u>(1,157,924)</u>	<u>(893,322)</u>
	<u>34,365,412</u>	<u>35,817,724</u>	<u>34,398,283</u>
<b>EXPENSES</b>			
Band Governance	6,842,677	4,952,752	5,191,989
Social Assistance	6,516,942	5,587,405	3,930,606
Education	5,565,819	4,290,964	3,799,094
Community Infrastructure	6,575,844	9,689,428	7,098,608
Community Wellness	5,561,500	4,619,416	2,902,440
Land Management	54,100	48,443	65,400
Housing Authority	2,166,425	398,712	384,118
Elimination for inter-department transactions	<u>-</u>	<u>(1,157,924)</u>	<u>(893,322)</u>
	<u>33,283,307</u>	<u>28,429,196</u>	<u>22,478,933</u>
ANNUAL SURPLUS	1,082,105	7,388,528	11,919,350
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>83,724,680</u>	<u>83,724,680</u>	<u>71,805,330</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 84,806,785</u>	<u>\$ 91,113,208</u>	<u>\$ 83,724,680</u>

# LITTLE GRAND RAPIDS FIRST NATION

STATEMENT 3

## STATEMENT OF CHANGE IN NET ASSETS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2022	2021
Annual surplus	\$ -	\$ 7,388,528	\$ 11,919,350
Acquisition of tangible capital assets and construction in progress	( 11,824,520)	( 14,437,543)	
Amortization of tangible capital assets	5,710,419	5,502,511	
Gain/(Loss) on sale of tangible capital assets	<u>242,537</u>	<u>-</u>	
	<u>-</u>	<u>( 5,871,564)</u>	<u>( 8,935,032)</u>
Acquisition of prepaid expenses	( 454,074)	( 107,719)	
Use of prepaid expenses	<u>107,719</u>	<u>711,206</u>	
	<u>-</u>	<u>( 346,355)</u>	<u>603,487</u>
CHANGE IN ASSETS (DEBT) FOR YEAR		1,170,609	3,587,805
NET DEBT, <i>beginning of year</i>	<u>( 772,613)</u>	<u>( 772,613)</u>	<u>( 4,360,418)</u>
NET ASSETS (DEBT), <i>end of year</i>	<u>\$ ( 772,613)</u>	<u>\$ 397,996</u>	<u>\$ ( 772,613)</u>

# LITTLE GRAND RAPIDS FIRST NATION

STATEMENT 4

## STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2 0 2 2	2 0 2 1
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### CASH FLOW FROM

#### *OPERATING ACTIVITIES*

Cash received from Indigenous Services Canada	\$ 22,262,833	\$ 31,114,189
Cash receipts from funding agencies and other sources	15,856,637	9,323,128
Cash paid to suppliers and employees	( 28,598,774)	( 14,267,737)
Interest paid	( 236,744)	( 265,991)
	<u>9,283,952</u>	<u>25,903,589</u>

#### *CAPITAL ACTIVITIES*

Acquisition of construction in progress	( 6,550,897)	( 11,674,412)
Acquisition of tangible capital assets	( 5,273,623)	( 2,763,131)
Sale of tangible capital assets	<u>242,537</u>	<u>                  </u>
	<u>( 11,581,983)</u>	<u>( 14,437,543)</u>

#### *INVESTING ACTIVITY*

South Beach Casino income distribution received	- - -	211,832
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#### *FINANCING ACTIVITIES*

Proceeds from long term debt	2,938,100	1,009,660
Repayment of long-term debt	( 2,891,417)	( 498,639)
	<u>46,683</u>	<u>511,021</u>

#### NET INCREASE (DECREASE) IN CASH DURING YEAR

CASH, <i>beginning of year</i>	<u>16,934,094</u>	<u>4,745,195</u>
CASH, <i>end of year</i>	<u>\$ 14,682,746</u>	<u>\$ 16,934,094</u>

#### CASH COMPRISED OF

Cash	\$ 6,030,446	\$ 6,114,388
Restricted cash	<u>8,652,300</u>	<u>10,819,706</u>
	<u>\$ 14,682,746</u>	<u>\$ 16,934,094</u>

# LITTLE GRAND RAPIDS FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

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### 1. OPERATIONS

The Little Grand Rapids First Nation (the "First Nation") is located in the Province of Manitoba and provides various services to its members. The Little Grand Rapids First Nation financial reporting entity includes all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### *REPORTING ENTITY*

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

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

- Little Grand Rapids First Nation Band Administration
- Little Grand Rapids First Nation Bulk Fuels
- Little Grand Rapids First Nation Health Authority
- Miishipaawiitik Inc.

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.

Little Grand Rapids First Nation business entities owned or controlled by the First Nation's Chief and Council but not dependent on the First Nation for their continuing operations and government partnerships are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- South Beach Casino Limited Partnership
- 10123199 Manitoba Ltd

#### *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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### *RESTRICTED CASH*

Restricted cash represents cash that is subject to external restrictions.

#### *INVENTORY*

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

#### *INVESTMENTS*

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

#### *NET DEBT*

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

#### *NON-FINANCIAL ASSETS*

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

#### *TANGIBLE CAPITAL ASSETS*

Tangible capital assets are stated at cost and recorded in the capital assets. 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. Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates

Heavy equipment	10%
Equipment	10 - 20%
Buildings	2.5%
Infrastructure	2.5 - 3.3%
Vehicles	20 - 33%

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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### *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.

#### *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.

#### *FINANCIAL INSTRUMENTS*

Financial instruments include cash, accounts receivable, inventory, 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.

#### *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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2022****3. RESTRICTED CASH****Ottawa Trust**

The Ottawa Trust Fund accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust 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.

**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 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. At March 31, 2022, \$2,499 (2021 - \$2,518) had been deposited into separate accounts leaving an under funded balance of \$914,079 (2021 - \$849,645).

**First Nations Bank - Capital Project**

Funds held by South East Resource Development Centre for the Capital Projects. These funds can only be used for eligible expenditures related to the Projects as outlined in the contribution agreement between Little Grand Rapids First Nation and Indigenous Services Canada.

At the end of the year, the restricted cash consisted of the following balances:

	<b>2 0 2 2</b>	<b>2 0 2 1</b>
Ottawa Trust	\$ 20,571	\$ 19,202
CMHC Replacement Reserve	2,499	2,518
First Nations Bank - LWSB Capital Project	<u>8,629,230</u>	<u>10,797,986</u>
	<u><u>\$ 8,652,300</u></u>	<u><u>\$ 10,819,706</u></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

### 4. ACCOUNTS RECEIVABLE

	2 0 2 2	2 0 2 1
Indigenous Services Canada	\$	\$
Basic Needs		100,000
Design & Construction - Construction H&S COVID Costs	401,206	
Design & Construction - Construction COVID Costs	1,359,855	
Firesmart	163,128	163,128
Perimeter Security		50,000
Preparedness/Mitigation	11,500	11,500
Response - 2021 July Power Outage	20,823	
ISC Basic Needs funding top-up	283,931	
Special Needs		7,133
First Nation and Inuit Health		
Community Health Representative		3,712
Mental Wellness		11,901
Community Facilities O&M		9,410
Nurse Support		2,136
Aboriginal Headstart		3,076
Health Planning Management		3,491
Medical Transportation		21,500
Medical Transportation Administration		50,525
Medical Transportation Vehicle		205,712
Canada Mortgage and Housing Corporation	21,484	21,484
Goods and services tax	80,674	68,853
Province of Manitoba	268,075	353,075
Trade and other receivables	<u>1,512,296</u>	<u>542,295</u>
Sub-total	<u>4,122,972</u>	<u>1,628,931</u>
Less: allowance for doubtful accounts	<u>( 22,494)</u>	<u>( 22,494)</u>
	<u><u>\$ 4,100,478</u></u>	<u><u>\$ 1,606,437</u></u>

### 5. INVENTORY

	2 0 2 2	2 0 2 1
Fuel	<u>\$ 576,994</u>	<u>\$ 386,354</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

## 6. LONG TERM INVESTMENTS

The investment in Brokenhead River Casino Resort Limited Partnership represents one seventh ownership of the 100 units issued by this Partnership, which was formed to develop the casino and hotel on the Brokenhead Ojibway First Nation land at Scanterbury, Manitoba.

	2 0 2 2	2 0 2 1
Brokenhead River Casino Resort Limited Partnership		
BALANCE, <i>beginning of year</i>	\$ 1,822,512	\$ 3,045,321
Share of earnings	1,373,700	(1,010,977)
Capital distribution	( 211,832)	
First Nation Trust Allocation	( 140,509)	
First Nation Trust Responsibility	( 28,102)	-
BALANCE, <i>end of year</i>	<u>3,027,601</u>	1,822,512
10123199 Manitoba Ltd.	<u>100</u>	-
	<u>\$ 3,027,701</u>	<u>\$ 1,822,512</u>

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 2	2 0 2 1
Indigenous Services Canada - Schools O&M	\$	\$ 3,091
Accrued interest	5,249	5,628
Accrued liabilities	151,721	77,000
Accrued wages	111,403	82,967
Holdback payable	198,190	198,190
Province of Manitoba	302,989	302,989
School Project payables	3,249,190	6,531,176
Trade payables and other	<u>1,884,472</u>	<u>1,918,807</u>
	<u>\$ 5,903,214</u>	<u>\$ 9,119,848</u>

## 8. DEFERRED REVENUE

	2 0 2 2	2 0 2 1
Indigenous Services Canada		
Housing Renovation	43,067	186,859
Capital Major Renovation Extensions -2022	424,567	
Construction of Multiple Units	186,678	
School Project	7,141,084	4,266,810
First Nation and Inuit Health Branch		
Pre-Capital for Nursing Station Replacement	125,000	
Medical Transportation and Support	31,730	
Medical Transportation Administration	119,120	
CMHC Rapid Housing Initiative	<u>20,286</u>	-
	<u>\$ 8,091,532</u>	<u>\$ 4,453,669</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

9. LONG TERM DEBT	2 0 2 2	2 0 2 1
Mortgage payable to CMHC, 1.84%, repayable in monthly installments of \$4,717 (P&I), due September 2022.	\$ 540,244	\$ 586,484
Mortgage payable to CMHC, 2.22%, repayable in monthly installments of \$2,398 (P&I), due January 2024.	167,815	192,583
Mortgage payable to CMHC, 1.86%, repayable in monthly installments of \$7,047 (P&I), due April 2024.	886,542	953,991
Mortgage payable to CMHC, 0.96%, repayable in monthly installments of \$1,769 (P&I), due March 2026.	245,272	264,052
Mortgage payable to CMHC, 2.13%, repayable in monthly installments of \$3,485 (P&I), due October 2022.	554,562	584,281
Mortgage payable to CMHC, 2.39%, repayable in monthly installments of \$3,130 (P&I), due February 2023.	360,782	389,394
Mortgage payable to CMHC, 2.14%, repayable in monthly installments of \$2,024 (P&I), due March 2024.	426,192	441,219
Mortgage payable to First Nations Bank of Canada, 5.29%, repayable in monthly installments of \$2,712 (P&I), due October 2023.	358,267	371,676
Term loan payable to First Nations Bank of Canada, 4.05%, repayable in monthly variable installments of \$6,376 plus interest, due March 2023.	643,557	720,063
Term loan payable to First Nations Bank of Canada, 4.55%, repayable in monthly installments of \$5,812 (P&I), due October 2025.	635,393	668,406
Term loan payable to First Nations Bank of Canada, 4.55%, repayable in monthly variable installments of \$2,100 plus interest, due December 2024.	371,726	396,928
Term loan payable to First Nations Bank of Canada, 4.05%, repayable in monthly installments of \$12,101 (P&I), due April 2021.		272,856
Demand interim loan payable to First Nations Bank of Canada, 4.55%, due on demand.		1,096,900
Demand interim loan payable to First Nations Bank of Canada, 4.30%, due on demand.		1,009,660
Term loan payable to First Nations Bank of Canada, repayable at prime rate plus 2.10%, due March 2023.	1,055,685	
Term loan payable to First Nations Bank of Canada, repayable at prime rate plus 1.85%, due December 2025.	1,749,140	_____
	<u>\$ 7,995,177</u>	<u>\$ 7,948,493</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2022****9. LONG TERM DEBT *(continued)***

Mortgages payable to Canada Mortgage and Housing Corporation are secured by the specific assets financed and a ministerial guarantee by Indigenous Services Canada.

The aggregate of payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

2023	\$ 384,019
2024	395,633
2025	407,658
2026	420,113
2027	433,014

**10. EXPENSES BY OBJECT**

The following is a summary of expenses by object:

	<b>2 0 2 2</b>	<b>2 0 2 1</b>
Administration fees	\$ 964,457	\$ 640,767
Amortization of capital assets	5,710,419	5,502,511
Bank charges	31,059	35,930
Community events and assistance	1,784,242	1,066,859
Equipment	405,164	654,189
Freight	77,689	2,312
Fuel and oil	749,948	605,855
Gravel crushing	622,278	
Insurance	236,744	263,464
Interest on long term debt	283,984	261,842
Loss on investment		1,010,977
Office and general	88,048	50,795
Other	645,344	27,488
Professional development		10,214
Professional fees	981,936	765,234
Rent	118,236	118,236
Repairs and maintenance	835,968	761,254
Salaries and benefits	8,746,214	6,525,009
Social assistance	4,880,266	3,514,164
Supplies	1,120,435	986,241
Telephone	77,439	47,258
Travel	697,519	324,185
Utilities	466,191	185,323
Vehicle operation and maintenance	63,540	12,148
Elimination for inter-department transactions	( 1,157,924)	( 893,322)
	<u>\$ 28,429,196</u>	<u>\$ 22,478,933</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

### 11. TANGIBLE CAPITAL ASSETS

2022

	Heavy equipment	Equipment	Buildings	Infrastructure	Vehicles	Total
Cost, <i>beginning of year</i>	\$ 5,371,549	\$ 139,202	\$ 22,050,308	\$ 53,404,133	\$ 4,134,368	\$ 85,099,560
Additions	165,240	84,825	3,761,200	398,479	863,879	5,273,623
Disposals and adjustments	-	-	-	-	(248,756)	(248,756)
Cost, <i>end of year</i>	<u>5,536,789</u>	<u>224,027</u>	<u>25,811,508</u>	<u>53,802,612</u>	<u>4,749,491</u>	<u>90,124,427</u>
Accumulated amortization, <i>beginning of year</i>	4,987,403	139,202	3,704,676	15,223,509	2,980,513	27,035,303
Amortization	387,574	12,580	924,952	3,909,560	475,753	5,710,419
Disposals and adjustments	-	-	-	-	(6,219)	(6,219)
Accumulated amortization, <i>end of year</i>	<u>5,374,977</u>	<u>151,782</u>	<u>4,629,628</u>	<u>19,133,069</u>	<u>3,450,047</u>	<u>32,739,503</u>
Net carrying amount, <i>end of year</i>	<u>\$ 161,812</u>	<u>\$ 72,245</u>	<u>\$ 21,181,880</u>	<u>\$ 34,669,543</u>	<u>\$ 1,299,444</u>	<u>\$ 57,384,924</u>

2021

	Heavy equipment	Equipment	Buildings	Infrastructure	Vehicles	Total
Cost, <i>beginning of year</i>	\$ 5,132,998	\$ 139,202	\$ 19,682,446	\$ 16,237,052	\$ 3,106,174	\$ 44,297,872
Additions	238,551	-	2,367,862	37,167,081	1,028,194	40,801,688
Cost, <i>end of year</i>	<u>5,371,549</u>	<u>139,202</u>	<u>22,050,308</u>	<u>53,404,133</u>	<u>4,134,368</u>	<u>85,099,560</u>
Accumulated amortization, <i>beginning of year</i>	4,220,686	139,202	2,906,852	11,727,201	2,538,851	21,532,792
Amortization	766,717	-	797,824	3,496,308	441,662	5,502,511
Accumulated amortization, <i>end of year</i>	<u>4,987,403</u>	<u>139,202</u>	<u>3,704,676</u>	<u>15,223,509</u>	<u>2,980,513</u>	<u>27,035,303</u>
Net carrying amount, <i>end of year</i>	<u>\$ 384,146</u>	<u>\$ -</u>	<u>\$ 18,345,632</u>	<u>\$ 38,180,624</u>	<u>\$ 1,153,855</u>	<u>\$ 58,064,257</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2022****12. CONSTRUCTION IN PROGRESS**

	2 0 2 2	2 0 2 1
Housing - CMHC Rapid Housing 6 Plex project	\$ 350,581	\$ 120,577
Housing - ISC 8 Unit project	752,382	
CMHC Housing	976,815	
Housing - CMHC Rapid Housing 9 unit project	708,804	
Housing - ISC 14 Unit project	94,221	2,395,660
School project	<u>29,993,411</u>	<u>23,809,080</u>
	<u>\$ 32,876,214</u>	<u>\$ 26,325,317</u>

Construction in progress will be transferred to tangible capital assets upon completion and will be amortized accordingly.

**13. CONTINGENCIES**

- a) 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 agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made. For accounting purposes any amounts assessed or claims paid will be accounted for in the year of determination.
- b) Her Majesty The Queen In Right of the Province of Manitoba has claimed against Little Grand Rapids First Nation and a related corporate entity for \$302,989. Little Grand Rapids First Nation has counter-claimed in the amount of \$1,856,547 The outcome of the claim was not certain as at March 31, 2022.

**14. ECONOMIC DEPENDENCE**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

## 15. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 2	2 0 2 1
Agreement No. 2021-MB-000028	\$ 30,442,077	\$ 29,815,424
Plus: Revenue deferred from previous years	4,453,669	668,723
Prior year Basic Needs top-up funding	67,406	10,052
Current year Basic Needs top-up funding	283,931	
I.S.C. Capital Project funding directly to Shawano Consulting	398,479	1,211,387
Less: Revenue deferred to following year	( 8,071,246)	( 4,453,669)
I.S.C. Recoveries	( 4,639)	
F.N.I.H. Recoveries		( 78,260)
Advance on 2020/21 funding for School Project	-	( 2,097,274)
<b>TOTAL I.S.C. AND F.N.I.H. REVENUE PER FINANCIAL STATEMENTS</b>	<b>\$ 27,569,677</b>	<b>\$ 25,076,383</b>

REVENUE PER STATEMENT OF OPERATIONS (*Statement 2*)

Indigenous Services Canada	\$ 24,448,984	\$ 25,154,643
First Nations and Inuit Health	<u>3,120,693</u>	<u>3,534,736</u>
	<b>\$ 27,569,677</b>	<b>\$ 28,689,379</b>

## 16. 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 around the world resulting in economic downturn. This outbreak may also cause staff shortages, 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 the severity of these developments.

## 17. COMPARATIVE FIGURES

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

# LITTLE GRAND RAPIDS FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

### 18. SEGMENTED DISCLOSURE

Little Grand Rapids First Nation provides a range of services to its 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 summary of Significant Accounting Policies as described in Note 2. The segment results for the year are as follows:

	BAND GOVERNANCE		SOCIAL ASSISTANCE		EDUCATION		COMMUNITY INFRASTRUCTURE	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>								
Federal Government								
ISC	\$ 2,314,928	\$ 1,227,508	\$ 5,851,495	\$ 4,885,748	\$ 6,580,514	\$ 4,788,846	\$ 8,991,645	\$ 12,817,452
FNIH								
CMHC								
ESDC	301,069	241,719						
Canadian Heritage	<u>—</u>	<u>38,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Subtotal	2,615,997	1,507,227	5,851,495	4,885,748	6,580,514	4,788,846	8,991,645	12,817,452
Other	<u>4,594,729</u>	<u>3,924,299</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>18,000</u>	<u>2,650,810</u>	<u>1,246,612</u>
<b>Total revenue</b>	<b><u>7,210,726</u></b>	<b><u>5,431,526</u></b>	<b><u>5,851,495</u></b>	<b><u>4,885,748</u></b>	<b><u>6,580,514</u></b>	<b><u>4,806,846</u></b>	<b><u>11,642,455</u></b>	<b><u>14,064,064</u></b>
<b>Expenses</b>								
Amortization							5,443,597	5,267,935
Debt servicing	141,091	119,223					79,028	67,842
Other	3,549,537	3,942,060	5,190,076	3,701,016	972,645	796,671	3,304,652	1,353,921
Salaries and benefits	<u>1,262,124</u>	<u>1,130,706</u>	<u>397,329</u>	<u>229,590</u>	<u>3,318,319</u>	<u>3,002,423</u>	<u>862,151</u>	<u>408,910</u>
<b>Total expenses</b>	<b><u>4,952,752</u></b>	<b><u>5,191,989</u></b>	<b><u>5,587,405</u></b>	<b><u>3,930,606</u></b>	<b><u>4,290,964</u></b>	<b><u>3,799,094</u></b>	<b><u>9,689,428</u></b>	<b><u>7,098,608</u></b>
<b>Surplus (Deficit)</b>	<b><u>\$ 2,257,974</u></b>	<b><u>\$ 239,537</u></b>	<b><u>\$ 264,090</u></b>	<b><u>\$ 955,142</u></b>	<b><u>\$ 2,289,550</u></b>	<b><u>\$ 1,007,752</u></b>	<b><u>\$ 1,953,027</u></b>	<b><u>\$ 6,965,456</u></b>

# LITTLE GRAND RAPIDS FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

### 18. SEGMENTED DISCLOSURE *(continued)*

	COMMUNITY WELLNESS		LAND MANAGEMENT		HOUSING AUTHORITY		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>
<b>Revenues</b>										
Federal Government										
ISC	\$ 710,402	\$ 1,435,089	\$	\$	\$	\$	\$	\$	\$ 24,448,984	\$ 25,154,643
FNIH	3,120,693	3,534,736							3,120,693	3,534,736
CMHC					1,326,607	608,052			1,326,607	608,052
ESDC									301,069	241,719
Canadian Heritage	—	—	—	—	—	—	—	—	—	38,000
Subtotal	3,831,095	4,969,825	—	—	1,326,607	608,052	—	—	29,197,353	29,577,150
Other	265,985	241,816	48,443	65,400	218,328	218,328	(1,157,924)	(893,322)	6,620,371	4,821,133
<b>Total revenue</b>	<b>4,097,080</b>	<b>5,211,641</b>	<b>48,443</b>	<b>65,400</b>	<b>1,544,935</b>	<b>826,380</b>	<b>(1,157,924)</b>	<b>(893,322)</b>	<b>35,817,724</b>	<b>34,398,283</b>
<b>Expenses</b>										
Amortization	36,228	8,529			230,594	226,047			5,710,419	5,502,511
Debt servicing					63,865	74,777			283,984	261,842
Other	1,723,192	1,199,391	2,148	6,540	104,253	83,294	(1,157,924)	(893,322)	13,688,579	10,189,571
Salaries and benefits	2,859,996	1,694,520	46,295	58,860	—	—	—	—	8,746,214	6,525,009
<b>Total expenses</b>	<b>4,619,416</b>	<b>2,902,440</b>	<b>48,443</b>	<b>65,400</b>	<b>398,712</b>	<b>384,118</b>	<b>(1,157,924)</b>	<b>(893,322)</b>	<b>28,429,196</b>	<b>22,478,933</b>
<b>Surplus (Deficit)</b>	<b>\$( 522,336)</b>	<b>\$ 2,309,201</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,146,223</b>	<b>\$ 442,262</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 7,388,528</b>	<b>\$ 11,919,350</b>