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# SANDY BAY OJIBWAY FIRST NATION

## CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

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# **SANDY BAY OJIBWAY 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 Sandy Bay Ojibway First Nation are the responsibility of management and have been approved by Chief and Council.


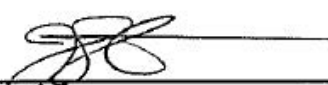
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise, since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has 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 management 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 organization's assets are appropriately accounted for and adequately safeguarded.

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 auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Sandy Bay Ojibway First Nation and meet when required.

  
\_\_\_\_\_  
Chief  
  
\_\_\_\_\_  
Councillor

  
\_\_\_\_\_  
Councillor  
  
\_\_\_\_\_  
Councillor

**INDEPENDENT AUDITOR'S REPORT**

To the Members  
Sandy Bay Ojibway First Nation

**Opinion**

We have audited the accompanying consolidated financial statements of Sandy Bay Ojibway First Nation, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, consolidated statement of changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sandy Bay Ojibway First Nation as at March 31, 2022, and its consolidated statements of operations and accumulated surplus, consolidated statement of change in net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Sandy Bay Ojibway 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 Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is responsible for assessing Sandy Bay Ojibway 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 Sandy Bay Ojibway First Nation or to cease operations, or has no realistic alternative but to do so.

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

(continued.....)

### **Auditors' Responsibility for the Audit of the Consolidated 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 Sandy Bay Ojibway 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 Sandy Bay Ojibway 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 Sandy Bay Ojibway 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  
February 11, 2025

# SANDY BAY OJIBWAY FIRST NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 31,577,997	\$ 17,137,886
Restricted cash (Note 3)	8,031,369	8,182,744
Investments	151,300	151,300
Term deposits	343,884	343,352
Accounts receivable - net (Note 4)	<u>3,783,134</u>	<u>1,787,971</u>
Total financial assets	<u>43,887,684</u>	<u>27,603,253</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	6,861,843	7,479,445
Deferred revenue (Note 7)	26,273,030	9,851,284
Deferred government assistance (Note 8)	-	250,000
Long-term debt (Note 9)	<u>16,957,565</u>	<u>15,875,101</u>
Total liabilities	<u>50,092,438</u>	<u>33,455,830</u>
Net debt	<u>( 6,204,754)</u>	<u>( 5,852,577)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 10)	76,893,231	60,990,547
Inventory	53,064	17,859
Prepaid expenses & other current assets	<u>145,164</u>	<u>28,267</u>
Total non-financial assets	<u>77,091,459</u>	<u>61,036,673</u>
Accumulated surplus (Note 15)	\$ <u>70,886,705</u>	\$ <u>55,184,096</u>
Contingencies and commitments (Note 11)		

Approved on behalf of Chief and Council

Chief

Councillor

Councillor

Councillor

# SANDY BAY OJIBWAY FIRST NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 2	2 0 2 1
<b>REVENUE</b>			
Indigenous Services Canada ( <i>Note 12</i> )	\$ 42,697,184	\$ 65,315,195	\$ 42,967,309
Indigenous Services Canada - recoveries	-	( 129,218)	-
Health Canada	-	9,650,338	9,839,728
Canada Mortgage and Housing Corporation	5,260,801	1,310,098	5,260,801
Assembly of Manitoba Chiefs	1,186,188	878,087	790,070
First Peoples Development Inc	-	-	675,097
Province of Manitoba	124,193	158,670	124,193
Service Canada	-	1,643,252	-
Contributions from band entities and sundry	4,468,953	8,492,415	7,868,021
Gaming Revenue	-	2,065,128	2,129,431
Rental Income	724,342	2,956,836	1,050,945
Other revenue	-	355,537	81,103
Deferred from prior year	65,759	9,851,284	3,913,099
Deferred to following year	-	( 26,273,031)	( 9,851,284)
	<u>54,527,420</u>	<u>76,274,591</u>	<u>64,848,513</u>
<b>EXPENDITURES</b>			
Band Government	2,833,057	2,775,669	2,756,757
Bulk Fuel	-	1,935,794	1,133,795
Community Services	5,182,457	5,740,536	6,035,905
Economic Development	388,343	167,553	388,344
Education Services	18,948,892	21,184,202	18,587,969
Emergency Measures	3,565,626	3,583,134	3,653,474
Housing Authority	5,243,790	3,486,882	7,144,612
Indigenous Skills and Employment Training Program	214,597	116,693	949,840
Major Capital	1,328,759	365,802	48,308
Medical Services	-	7,737,957	7,626,097
Other Services	71,332	1,318,020	1,058,822
Smoke Shop	-	1,034,156	45,419
Social Services	8,201,550	8,992,408	8,201,548
Tobacco Tax	-	777,043	539,732
Video Lottery Terminal	-	1,356,133	1,649,316
	<u>45,978,403</u>	<u>60,571,982</u>	<u>59,819,938</u>
<b>ANNUAL SURPLUS</b>	8,549,017	15,702,609	5,028,575
<b>ACCUMULATED SURPLUS, <i>beginning of year</i></b>	<u>55,184,096</u>	<u>55,184,096</u>	<u>50,155,521</u>
<b>ACCUMULATED SURPLUS, <i>end of year</i></b>	<u>\$ 63,733,113</u>	<u>\$ 70,886,705</u>	<u>\$ 55,184,096</u>

# SANDY BAY OJIBWAY FIRST NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 2	2 0 2 1
Annual surplus (deficit)	\$ <u>8,549,017</u>	\$ <u>15,702,609</u>	\$ <u>5,028,575</u>
Acquisition of tangible capital assets	-	( 3,610,630)	( 13,920,147)
Amortization of tangible capital assets	-	4,417,136	4,134,225
Completion of construction in progress	-	-	9,258,733
Acquisition of construction in progress	<u>-</u>	<u>( 16,709,190)</u>	<u>( 2,897,809)</u>
	<u>-</u>	<u>( 15,902,684)</u>	<u>( 3,424,998)</u>
Acquisition of supplies and inventories	-	( 53,064)	( 17,859)
Acquisition of prepaid expenses	-	( 145,164)	( 28,267)
Use of supplies and inventories	-	17,859	20,026
Use of prepaid expenses	<u>-</u>	<u>28,267</u>	<u>166,970</u>
	<u>-</u>	<u>( 152,102)</u>	<u>140,870</u>
CHANGE IN NET DEBT FOR YEAR	8,549,017	( 352,177)	1,744,447
NET DEBT, <i>beginning of year</i>	( 5,852,577)	( 5,852,577)	( 7,597,024)
NET DEBT, <i>end of year</i>	\$ <u>2,696,440</u>	\$ <u>( 6,204,754)</u>	\$ <u>( 5,852,577)</u>



# SANDY BAY OJIBWAY FIRST NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2022	2021
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash receipts from Indigenous Services Canada	\$ 65,185,977	\$ 42,967,309
Cash receipts from Health Canada	9,650,338	9,839,728
Cash received from funding and other sources	15,614,859	18,815,955
Cash paid to suppliers and employees	( 56,579,193)	( 52,295,621)
Interest paid	( 345,889)	( 107,878)
	<u>33,526,092</u>	<u>19,219,493</u>
<i>INVESTING ACTIVITIES</i>		
Acquisition of tangible capital assets	( 20,319,820)	( 7,559,223)
Interest on term deposits	532	1,348
	<u>( 20,319,288)</u>	<u>( 7,557,875)</u>
<i>FINANCING ACTIVITIES</i>		
Proceeds from long-term debt	3,226,644	2,973,806
Repayment of long-term debt	( 2,144,180)	( 1,044,503)
	<u>1,082,464</u>	<u>1,929,303</u>
NET INCREASE IN CASH DURING YEAR	14,289,268	13,590,921
CASH, <i>beginning of year</i>	<u>25,663,982</u>	<u>12,073,061</u>
CASH, <i>end of year</i>	\$ <u>39,953,250</u>	\$ <u>25,663,982</u>
CASH COMPRISED OF		
Cash and cash equivalents	\$ 31,577,997	\$ 17,137,886
Restricted cash	8,031,369	8,182,744
Term deposits	<u>343,884</u>	<u>343,352</u>
	\$ <u>39,953,250</u>	\$ <u>25,663,982</u>

# SANDY BAY OJIBWAY FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

### 1. NATURE OF OPERATION

Sandy Bay Ojibway First Nation (the Nation) is located in the province of Manitoba and provides various services to its members. Sandy Bay is a non-taxable entity and is engaged in the social, cultural and economic development of its members. Sandy Bay Ojibway First Nation financial reporting entity includes all related entities which are accountable to the Nation and are either owned or controlled by the Nation.

### 2. SUMMARY OF 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 consolidate the financial activities of all entities and departments comprising the Nation reporting entity. The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Sandy Bay Ojibway First Nation Administration	100% owned
- Sandy Bay Housing Authority	100% owned
- Sandy Bay Housing Authority Inc.	100% owned
- Sandy Bay Ojibway Health Centre	100% owned
- Sandy Bay Ojibway Education (Isaac Beaulieu Memorial School)	100% owned
- Sandy Bay Ojibway First Nation VLT and Community Complex Centre	100% owned
- Sandy Bay Ojibway First Nation Tobacco Tax Rebate	100% owned
- Sandy Bay Bulk Fuel	100% owned
- Sandy Bay Indigenous Skills and Employment Training Program	100% owned
- Sandy Bay Ojibway First Nation Radio	100% owned
- Sandy Bay Ojibway Smoke Shop	100% owned
- Sandy Bay Economic Development Corporation	100% owned

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.

#### *BASIS OF PRESENTATION*

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

#### *CASH AND CASH EQUIVALENTS*

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### *INVENTORY*

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted - average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**REPLACEMENT RESERVE*

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

*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, inventory and prepaid expenses.

*NET ASSETS (NET DEBT)*

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

*TANGIBLE CAPITAL ASSETS*

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Tangible capital assets are amortized annually using the straight line method (except where noted) at rates intended to amortize the cost of the assets over their estimated useful lives:

Roads and Light	25-40 years straight line basis
Water and Wastewater	30-40 years straight line basis
Commercial Buildings	4-40 years straight line basis
Residential Buildings	15-40 years straight line basis
Equipment	3-15 years straight line basis
Automotive	5-10 years straight line basis

In the year of acquisition, amortization is taken at one-half of the estimated useful life.

CMHC housing amortization method: amortization of the buildings purchased using mortgaged funds provided by CMHC is not calculated based on the estimated useful lives of the assets, but rather at a rate equal to the annual principal reduction of the mortgage.

*EMPLOYEE FUTURE BENEFITS*

The Nation's employee future benefit program consists of a defined contribution pension plan. Nation contributions to the defined contribution plan are expensed as incurred. Total contributions for the year were \$472,706 (2021 - \$474,130).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

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

The Nation conducts its business through thirteen reportable segments as identified in Note 18. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

The First Nation's segments are as follows:

Band Government - includes administration and governance activities.

Community Services - includes activities for the maintenance of the community and its infrastructure.

Education Services - includes the operations of education programs.

Economic Development - includes activities related to the economic development of the community, including its commercial operations.

Social Services - activities include delivering social programs.

Housing Authority - includes activities related to the development and sustainment of on-reserve and off-reserve housing.

Other Services – include activities related to postal, correctional and communication services.

Tobacco Tax - include activities related to the distribution of tobacco tax revenues.

Bulk Fuel and Convenience Store - include activities related to fuel and convenience services.

Video Lottery Terminals (VLT) – include activities related to gaming services.

Indigenous Skills and Employment Training Program (ISET) – activities include providing skills and employment training services.

Smoke Shop - include selling of cigarettes and tobacco products.

Medical Services - reports on the Nation's funding related to health and wellness.

Major Capital - include major capital projects.

Emergency Measures - includes assistance to community members due to Covid-19 and severe weather events.

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**REVENUE RECOGNITION*

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations as the stipulations are settled.

Other revenue is recognized by the Nation when services are provided or goods are shipped. The Nation recognizes gaming revenues on a net win basis (the difference between gaming wins and losses), including table games and slot machines, on a daily basis. Gaming revenues are net of commissions paid to Manitoba Lotteries Corporation, and net of accruals for anticipated payout's of progressive slot machine jackpots and certain progressive table game payout's. Management believes that it is appropriate to present these commissions net of gaming revenues as these amounts are fixed as per their agreement with Manitoba Lotteries Corporation.

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

*MEASUREMENT UNCERTAINTY*

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

Accounts receivable are stated after estimates as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Inventory is stated after provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

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

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

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**3. RESTRICTED CASH***RESTRICTED CASH - OTTAWA TRUST FUND*

Funds held in trust on behalf of the Nation's members by the Government of Canada Ottawa Trust Fund are reported as restricted cash. Trust monies consist of:

- a) Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- b) Revenue trust monies generated primarily through land transactions or interest earned on deposits held in trust.

*RESTRICTED CASH - SANDY BAY OJIBWAY HEALTH CENTRE**Severance liability and moveable asset reserve*

Cash and term deposits have been restricted for severance liability and moveable asset reserve (MAR).

*Funds restricted for capital spending*

Per letter from Health Canada - First Nations Inuit and Health Branch dated December 2, 2015, the Health Branch approved the use of surplus funds from prior years for capital spending. The accumulated (prior years) surplus for the Centre as at March 31, 2015 was \$2,830,757. Accordingly, the amount is classified as restricted cash, designated for future capital expenditures.

*REPLACEMENT RESERVE - SANDY BAY HOUSING AUTHORITY*

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

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

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

*SPECIAL PROJECTS - RAPID HOUSING INITIATIVE*

Special projects funding provided by Indigenous Services Canada (ISC) whereby monies are held in a separate trust account is restricted for expenditures related to the rapid housing initiative project.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

3. RESTRICTED CASH *(continued)*

	2 0 2 2	2 0 2 1
Restricted cash - Ottawa Trust Fund	\$ 29,894	\$ 29,034
Restricted cash - Sandy Bay Ojibway Health Centre - severance liability	226,296	273,290
Restricted cash - Sandy Bay Ojibway Health Centre - moveable asset reserve (MAR)	365,807	339,773
Restricted cash - Sandy Bay Ojibway Health Centre - funds restricted for capital spending	2,830,757	2,830,757
Replacement Reserve - Sandy Bay Housing Authority	578,615	455,122
Restricted cash - Water Treatment Plant	4,000,000	-
Special Project - Rapid Housing Initiative	-	4,254,768
	<u>\$ 8,031,369</u>	<u>\$ 8,182,744</u>

## 4. ACCOUNTS RECEIVABLE

	2 0 2 2	2 0 2 1
Indigenous Services Canada	\$ 449,741	\$ 535,907
Canada Mortgage and Housing Corporation	-	197,725
Goods and services tax	-	4,096
Trade and other	1,476,322	417,137
Subtotal	<u>1,926,063</u>	<u>1,154,865</u>
Less: Allowance for doubtful accounts	-	-
	<u>\$ 1,926,063</u>	<u>\$ 1,154,865</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

## 5. CREDIT FACILITIES

Sandy Bay Ojibway First Nation has an approved line of credit of \$500,000 from Peace Hills Trust. The line of credit bears interest at the bank's prime rate plus 3% (effective rate 6%), calculated and payable monthly. It is secured by a general security agreement covering all fixed and floating assets, including any future acquired property of the Sandy Bay Ojibway First Nation registered with the personal property registry, Manitoba.

Sandy Bay Ojibway First Nation has an approved authorized loan amount of \$3,200,000 from Peace Hills Trust. The proceeds will be utilized for a multiplex project under construction.

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 2	2 0 2 1
Indigenous Services Canada	\$ 41,883	\$ 41,882
Payroll and Government remittances liabilities	1,367,455	1,342,126
Trade and accrued liabilities	2,714,538	3,914,871
Old debts payable	<u>405,707</u>	<u>405,707</u>
	<u>\$ 4,529,583</u>	<u>\$ 5,704,586</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**MARCH 31, 2022**
**7. DEFERRED REVENUE**

	<b>2 0 2 2</b>	<b>2 0 2 1</b>
Indigenous Services Canada		
Heavy equipment purchase	<b>317,390</b>	-
Child and family services	<b>\$ 943,595</b>	<b>\$ 543,823</b>
Climate change adaptation and awareness	<b>118,162</b>	-
Consulting and policy development	<b>20,000</b>	20,000
Education local services	<b>3,028,570</b>	778,210
Education operations and maintenance	-	46,660
Fire smart	<b>20,000</b>	20,000
Financial management governance	<b>96,757</b>	183,156
First Nation school second level	<b>1,374,533</b>	244,098
Immediate needs renovations	<b>414,869</b>	470,807
Instructional administration	-	26,855
Minor capital	<b>32,353</b>	28,549
New paths - Language and Culture	<b>211,983</b>	88,299
PIDP - Plan/Risk Management	<b>55,774</b>	58,040
Pandemic basic needs	<b>5,813,924</b>	3,381,430
Pandemic household supplies	<b>1,337,868</b>	-
Pandemic service delivery	<b>494,149</b>	245,026
Pandemic special needs	-	77,206
Pandemic other	<b>376,188</b>	572,808
Post secondary	<b>976,487</b>	534,811
Professional and Institutional Development Program - Leadership Gov Capacity Development	<b>94,200</b>	-
Professional and Institutional Development Program - Community Involvement Gov Capacity	<b>50,000</b>	-
Roads and bridges	<b>269,903</b>	-
School effectiveness	<b>173,027</b>	105,440
Service delivery	<b>247,024</b>	-
Skills link	-	16,451
Special education program - high cost	<b>2,051,945</b>	591,460
Special needs	<b>166,187</b>	21,843
Student transportation	-	127,604
Waste water	<b>170,896</b>	-
Water systems	<b>299,457</b>	-
Water treatment plant	<b>2,400,699</b>	174,208
Others	-	-
Bipole III	<b>134,130</b>	37,765
CMHC burnout	-	28,309
Early learning and child care	<b>984,683</b>	1,225,202
Indigenous Skill and Employment Training Strategy	<b>203,224</b>	203,224
Health	<b>2,789,587</b>	-
Service Canada - CRF	<b>299,650</b>	-
Service Canada EI	<b>305,816</b>	-
	<b>\$ <u>26,273,030</u></b>	<b>\$ <u>9,851,284</u></b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

## 8. DEFERRED GOVERNMENT ASSISTANCE

	2 0 2 2	2 0 2 1
First Peoples Economic Growth Fund	\$ <u>-</u>	\$ <u>250,000</u>

The First Nation received a non-repayable contribution from First Peoples Economic Growth Fund ("FPEGF") in May 2020, as financial assistance for capital, marketing and business support costs. The First Nation must meet certain terms within the contribution agreement over a three year term commencing upon the project completion date. Failure to meet these terms may result in the contribution becoming repayable to FPEGF. The deferred government assistance is recorded as income in the same period in which the related capital, marketing and business support expense is recognized.

## 9. LONG-TERM DEBT

	2 0 2 2	2 0 2 1
Canada Mortgage and Housing Corporation - 18 unit mortgage bearing interest at 1.92% per annum, repayable at \$4,833 per month including interest. The mortgage matures on February 1, 2023, with a renewal date of May 1, 2022 and is secured by a ministerial guarantee and assignment of fire insurance.	\$ 47,427	\$ 98,219
Canada Mortgage and Housing Corporation - 14 unit mortgage bearing interest at 2.50% per annum, repayable at \$5,252 per month including interest. The mortgage matures on March 1, 2033, with a renewal date of June 1, 2023 and is secured by a ministerial guarantee and assignment of fire insurance.	605,903	653,209
Canada Mortgage and Housing Corporation - 25 unit mortgage bearing interest at 0.96% per annum, repayable at \$7,076 per month including interest. The mortgage matures on December 1, 2033, with a renewal date of March 1, 2026 and is secured by a ministerial guarantee and assignment of fire insurance.	943,262	1,018,743
Canada Mortgage and Housing Corporation - 23 unit mortgage bearing interest at 0.96% per annum, repayable at \$6,005 per month including interest. The mortgage matures on December 1, 2033, with a renewal date of March 1, 2026 and is secured by a ministerial guarantee and assignment of fire insurance.	800,550	864,611
Canada Mortgage and Housing Corporation - 8 unit mortgage bearing interest at 1.50% per annum, repayable at \$3,800 per month including interest. The mortgage matures on July 1, 2037, with a renewal date of July 1, 2022 and is secured by a ministerial guarantee and assignment of fire insurance.	624,454	660,420
Canada Mortgage and Housing Corporation - 15 unit mortgage bearing interest at 2.68% per annum, repayable at \$6,610 per month including interest. The mortgage matures on October 1, 2038, with a renewal date of October 1, 2023 and is secured by a ministerial guarantee and assignment of fire insurance.	1,062,142	1,112,417

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

9. LONG-TERM DEBT *(continued)*

	2 0 2 2	2 0 2 1
Canada Mortgage and Housing Corporation - 10 unit mortgage bearing interest at 0.96% per annum, repayable at \$5,689 per month including interest. The mortgage matures on March 1, 2041 with a renewal date of March 1, 2026 and is secured by a ministerial guarantee and assignment of fire insurance.	1,164,678	1,220,300
Canada Mortgage and Housing Corporation - 15 unit mortgage bearing interest at 2.22% per annum, repayable at \$10,068 per month including interest. The mortgage matures on January 1, 2039 with a renewal date of January 1, 2024 and is secured by a ministerial guarantee and assignment of fire insurance.	1,696,880	1,779,206
Canada Mortgage and Housing Corporation - 10 unit mortgage bearing interest at 1.72% per annum, repayable at \$11,096 per month including interest. The mortgage matures on March 1, 2040, with a renewal date of March 1, 2025 and is secured by a ministerial guarantee.	2,060,908	2,157,827
Canada Mortgage and Housing Corporation - 9 unit mortgage bearing interest at 1.73% per annum, repayable at \$6,114 per month including interest. The mortgage matures on August 1, 2044, with a renewal date of August 1, 2024 and is secured by a ministerial guarantee.	1,363,279	1,412,679
Canada Mortgage and Housing Corporation - 4 unit mortgage bearing interest at 0.79% per annum, repayable at \$5,824 per month including interest. The mortgage matures on January 1, 2041, with a renewal date of January 1, 2026 and is secured by a ministerial guarantee.	1,222,801	1,282,792
Canada Mortgage and Housing Corporation - 2 unit mortgage bearing interest at 0.74% per annum, repayable at \$1,937 per month including interest. The mortgage matures on February 1, 2041, with a renewal date of February 1, 2026 and is secured by a ministerial guarantee.	410,178	430,308
Canada Mortgage and Housing Corporation - 5 unit mortgage bearing interest at 1.12% per annum, repayable at \$6,930 per month including interest. The mortgage matures on October 1, 2036, with a renewal date of October 1, 2026 and is secured by a ministerial guarantee.	1,118,603	-
Peace Hills Trust Loan bearing interest at 5.50% per annum, repayable at \$6,970 per month including interest. The loan will mature on March 1, 2023 and is secured by a first charge blanket mortgage over off reserve homes, an assignment of Sandy Bay Housing Authority rent and leases, a first ranking general security agreement over all fixed and floating assets of Sandy Bay Housing Authority, a general security agreement over all fixed and floating assets of Sandy Bay Ojibway First Nation, a demand promissory note for \$1,151,500 and an assignment of fire, all risks and perils insurance.		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

9. LONG-TERM DEBT *(continued)*

	2 0 2 2	2 0 2 1
Peace Hills Trust Loan bearing interest at 5.50% per annum. The loan will mature on June 1, 2022 and was secured by a continuing security agreement over present and future acquired property of Sandy Bay Ojibway First Nation, assignment of monies, and an assignment of fire, all risks and perils insurance.	-	160,688
Peace Hills Trust Loan bearing interest at 5.50% per annum. The loan will mature on April 1, 2023 and was secured by a continuing security agreement over present and future acquired property of Sandy Bay Ojibway First Nation, assignment of monies, and an assignment of fire, all risks and perils insurance.	720,000	920,000
Peace Hills Trust Loan bearing interest at prime rate + 2% per annum. The loan was secured by a continuing security agreement over present and future acquired property of Sandy Bay Ojibway First Nation, assignment of monies, and an assignment of fire, all risks and perils insurance.		-
First People Economic Growth Fund term loan payable, non-interest bearing, repayable in monthly principal installments of \$2,083, commencing December 1, 2020 ending November 1, 2032.		291,667
First People Economic Growth Fund demand loan payable bearing interest at 7%, repayable in monthly installments of \$7,160, commencing December 1, 2020 ending November 1, 2032.		683,499
John Deere capital lease payable, interest at 3.5%, repayable in monthly installments of \$7,615 including interest. Due June 9, 2023.	111,598	197,432
John Deere capital lease payable, interest at 1.75%, repayable in monthly installments of 8,998 including interest. Due May 1, 2024.	<u>220,742</u>	<u>-</u>
	<u>\$ 14,173,404</u>	<u>\$ 15,875,101</u>

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

March 31, 2023	\$ 1,259,928
2024	1,174,317
2025	1,081,000
2026	1,100,357
2027	929,183
Thereafter	<u>11,412,780</u>
	<u>\$16,957,565</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

## 10. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals, Write-offs & Transfers	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Adjustments	Closing Balance	Total 2022	Total 2021
Construction in Progress	\$ 3,807,508	\$ 16,709,190	\$ -	\$ 20,516,698	\$ -	\$ -	\$ -	\$ -	\$ 20,516,698	\$ 3,807,508
Land	33,884	-	-	33,884	-	-	-	-	33,884	33,884
Road and Lights	39,653,998	110,000	-	39,763,998	27,274,864	1,171,116	-	28,445,980	11,318,018	12,379,134
Water and Wastewater	8,983,582	-	-	8,983,582	2,035,002	284,023	-	2,319,025	6,664,557	6,948,580
Commercial Buildings	10,241,193	-	-	10,241,193	5,662,321	261,195	-	5,923,516	4,317,677	4,578,872
Residential Buildings	42,254,871	1,148,000	-	43,402,871	14,736,711	1,613,765	-	16,350,476	27,052,395	27,518,160
Equipment	6,713,833	1,207,018	-	7,920,851	4,083,139	470,001	-	4,553,140	3,367,711	2,630,694
Automotive	6,857,921	1,145,612	-	8,003,533	3,764,206	617,036	-	4,381,242	3,622,291	3,093,715
	<u>\$ 118,546,790</u>	<u>\$ 20,319,820</u>	<u>\$ -</u>	<u>\$ 138,866,610</u>	<u>\$ 57,556,243</u>	<u>\$ 4,417,136</u>	<u>\$ -</u>	<u>\$ 61,973,379</u>	<u>\$ 76,893,231</u>	<u>\$ 60,990,547</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

## 11. CONTINGENCIES AND COMMITMENTS

- Sandy Bay First Nation is a sole shareholder of Sandy Bay Economic Development Corporation. Sandy Bay Economic Development Corporation executed a loan agreement with First Peoples Economic Growth Fund Inc. wherein the First Nation is a guarantor.
- The Organization 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.
- A claim for \$343,876 for the management services has been filed at the Manitoba Court of Queen's Bench against the Nation by the former contractor of the Smoke Shop. The First Nation is counter suing the claim for the contractual obligations as they were not fulfilled by the contractor. The eventual outcome of the matter is uncertain, and the Nation believes that the matter will eventually be settled in their favour. No liability for \$343,876 has been accrued for this claim.
- A grievance application was filed with Manitoba Government and General Employee's Union regarding four day work week implemented in the past. As per the letter received from the legal counsel, the maximum potential liability in this matter is \$250,000. The matter has currently been referred to the arbitration and the management is hopeful to get a favourable outcome from the decision, hence no liability has been recorded in these consolidated financial statements.
- A national accounting firm has conducted an audit of funding agreements between Indigenous Services Canada and the Nation for the years 2013/14 and 2014/15. There may be a potential recovery by Indigenous Services Canada for between \$350,000. The likelihood of loss is uncertain at this point of time, pending the outcome of the report, thus, no liability has been accrued to reflect this potential recovery of funds.

## 12. RECONCILIATION OF INDIGENOUS SERVICES CANADA

	2 0 2 2	2 0 2 1
ISC funding as per agreement #2021-MB-000038 (MANITOBA)	\$ <u>65,315,195</u>	\$ <u>42,967,309</u>
Total ISC revenue per financial statements	\$ <u>65,315,195</u>	\$ <u>42,967,309</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

## 13. ECONOMIC DEPENDENCE

Sandy Bay Ojibway First Nation receives the majority of its revenue from the department of Indigenous Services Canada (I.S.C.) and Health Canada as a result of Treaties entered into with the Government of Canada. These treaties are administered by I.S.C. and Health Canada under the terms and conditions of the Indian Act. The ability of the Nation to continue its operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties. Simultaneously the Nation is also attempting to develop alternate sources of revenue in order to become self-sufficient.

## 14. REPLACEMENT RESERVES

*SANDY BAY HOUSING AUTHORITY*

Under the terms of the operating agreements with CMHC, the Replacement Reserve is to be credited with an annual allocation of \$168,805 (2021 - \$160,197). These funds along with accumulated interest must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

The annual charge is accounted for as an operating expenditure. Interest on these reserve funds is credited directly to the reserve and not recognized as revenue. Expenditures funded by the reserve are charged directly to the reserve and not recognized as operating expenditures.

*SANDY BAY OJIBWAY HEALTH CENTRE - moveable capital replacement reserve*

First Nations and Inuit Health Branch allows for an annual allocation to moveable capital asset replacement reserve which is recorded as a disbursement in the year allocated. Assets purchased from the reserve are recorded as a reduction to the reserve and not as an expenditure during the year incurred.

*SANDY BAY OJIBWAY HOUSING AUTHORITY INC.*

The Authority has a policy of allocating an amount equivalent to 5% of the gross rent to a replacement reserve account. A separate bank account has not been established, thus it is not properly funded nor is interest being earned on the balance.

	CMHC	FNIHB	SBHAI	2 0 2 2	2 0 2 1
Balance, beginning of the year	\$ 1,775,129	\$ 339,773	\$ 130,298	\$ 2,245,200	\$ 1,872,407
Allocation for the year	168,805	26,034	15,728	210,567	201,793
Adjustment for maturing units	-	-	-	-	171,000
	<u>\$ 1,943,934</u>	<u>\$ 365,807</u>	<u>\$ 146,026</u>	<u>\$ 2,455,767</u>	<u>\$ 2,245,200</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

## 15. ACCUMULATED SURPLUS

	2 0 2 2	2 0 2 1
Accumulated surplus from operations	\$ 8,343,972	\$ 7,672,150
Equity in long-term investments	151,300	151,300
Equity in tangible capital assets and construction in progress	59,935,666	45,115,446
Replacement reserve (Note 14)	<u>2,455,767</u>	<u>2,245,200</u>
	<u>\$ 70,886,705</u>	<u>\$ 55,184,096</u>

## 16. RELATED PARTY TRANSACTIONS

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for sales of products.

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

## 17. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 2	2 0 2 1
Amortization	\$ 3,480,529	\$ 3,290,019
Bank and interest charges	37,110	65,091
Contract services	1,277,484	1,023,119
Donation		2,000
Fuel	317,186	314,454
Insurance	555,103	506,556
Interest on long-term debt	345,889	293,884
Material and supplies	1,190,430	5,953,580
Other	2,838,262	2,183,032
Professional fees	642,704	655,902
Repair and maintenance	177,030	742,684
Salaries and benefits	4,622,130	4,764,408
Social assistance	7,362,417	6,537,725
Telecommunication	45,642	43,457
Training and workshop	296,842	18,371
Travel	261,482	169,680
Utilities	<u>1,313,468</u>	<u>1,448,114</u>
	<u>\$ 24,763,708</u>	<u>\$ 28,012,076</u>
Total per Statement of Operations	<u>\$ 60,571,982</u>	<u>\$ 59,819,938</u>
Note Variance	<u>\$ (35,808,274)</u>	<u>\$ (31,807,862)</u>



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

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**18. BUDGET INFORMATION**

Unaudited budget figures have been provided for comparison purposes which have been derived from the estimates prepared by the Nation.

**19. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

### 21. SEGMENT DISCLOSURE

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 to the financial statements. The segment results for the year are as follows:

	Band Government		Community Services		Education Services		Economic Development		Social Services	
	<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>
Revenue										
Federal Government	-	-	-	-	-	-	-	-	-	-
I.S.C.	\$ 1,804,537	\$ 1,609,469	\$ 4,596,437	\$ 3,329,417	\$ -	\$ -	\$ 511,365	\$ 491,365	\$ 9,081,307	\$ 7,070,732
Health Canada	-	-	-	-	-	-	-	-	-	-
CMHC	-	-	-	-	-	-	-	-	-	-
First Peoples Development Inc.	-	-	-	-	-	-	-	-	-	-
Deferred from prior year	261,196	463,759	57,765	316,512	-	-	470,807	268,800	565,666	50,000
Deferred to following year	( 316,732)	( 261,196)	( 1,626,645)	( 57,765)	-	( 1)	-	( 470,807)	( 1,356,806)	( 565,666)
Subtotal	1,749,001	1,812,032	3,027,557	3,588,164	-	( 1)	982,172	289,358	8,290,167	6,555,066
Other revenue	<u>2,646,612</u>	<u>3,135,635</u>	<u>720,313</u>	<u>807,030</u>	-	-	<u>250,184</u>	<u>269,406</u>	<u>9,557</u>	<u>6,429</u>
Total revenue	<u>4,395,613</u>	<u>4,947,667</u>	<u>3,747,870</u>	<u>4,395,194</u>	-	( 1)	<u>1,232,356</u>	<u>558,764</u>	<u>8,299,724</u>	<u>6,561,495</u>
Expenses										
Amortization	12,891	12,891	1,970,269	1,890,327	83,205	83,206	-	-	-	-
Debt servicing	60,020	72,810	-	-	-	-	84,202	20,423	-	-
Salaries and benefits	1,322,850	1,100,684	2,047,956	1,806,591	-	( 2,925)	672	-	217,345	281,628
Other	<u>1,379,906</u>	<u>1,636,950</u>	<u>1,722,312</u>	<u>2,572,919</u>	-	<u>22,931</u>	<u>82,679</u>	<u>367,921</u>	<u>8,775,063</u>	<u>7,919,917</u>
Total expenses	<u>2,775,667</u>	<u>2,823,335</u>	<u>5,740,537</u>	<u>6,269,837</u>	<u>83,205</u>	<u>103,212</u>	<u>167,553</u>	<u>388,344</u>	<u>8,992,408</u>	<u>8,201,545</u>
Surplus (Deficit)	<u>\$ 1,619,946</u>	<u>\$ 2,124,332</u>	<u>\$ ( 1,992,667)</u>	<u>\$ ( 1,874,643)</u>	<u>\$ ( 83,205)</u>	<u>\$ ( 103,213)</u>	<u>\$ 1,064,803</u>	<u>\$ 170,420</u>	<u>\$ ( 692,684)</u>	<u>\$ ( 1,640,050)</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

### 21. SEGMENT DISCLOSURE (continued)

	Housing Authority		Other Services		Tobacco Tax		Bulk Fuel		VLT	
	<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>
Revenue										
Federal Government										
I.S.C.	\$ 140,000	\$ 115,000	\$ 230,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health Canada	-	-	-	-	-	-	-	-	-	-
CMHC	1,310,098	5,260,801	-	-	-	-	-	-	-	-
First Peoples Development Inc.	-	-	-	-	-	-	-	-	-	-
Deferred from prior year	28,309	28,309	-	-	-	-	-	-	-	-
Deferred to following year	-	( 28,309)	( 118,162)	-	-	-	-	-	-	-
Subtotal	1,478,407	5,375,801	112,440	-	-	-	-	-	-	-
Other revenue	<u>2,429,621</u>	<u>644,020</u>	<u>49,795</u>	<u>59,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>3,908,028</u>	<u>6,019,821</u>	<u>162,235</u>	<u>59,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses										
Amortization	1,414,166	1,303,595	-	-	-	-	-	-	-	-
Debt servicing	201,667	200,651	-	-	-	-	-	-	-	-
Salaries and benefits	193,883	152,889	46,775	30,597	-	-	-	-	-	( 15,121)
Other	<u>1,054,958</u>	<u>4,743,637</u>	<u>142,356</u>	<u>40,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,121</u>
Total expenses	<u>2,864,674</u>	<u>6,400,772</u>	<u>189,131</u>	<u>71,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (Deficit)	\$ <u>1,043,354</u>	\$ <u>( 380,951)</u>	\$ <u>( 26,896)</u>	\$ <u>( 11,602)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2022**

**21. SEGMENT DISCLOSURE (continued)**

	ISET		Smoke Shop		Medical services		Major Capital		Emergency Measures	
	<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>
Revenue										
Federal Government										
I.S.C.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,200,000	\$ 1,351,625	\$ 7,101,779	\$ 7,672,620
Health Canada	-	-	-	-	-	-	-	-	-	-
CMHC	-	-	-	-	-	-	-	-	-	-
First Peoples										
Development Inc.	-	-	-	-	-	-	-	-	-	-
Deferred from prior year	-	-	-	-	-	-	174,208	303,435	4,276,470	-
Deferred to following year	-	-	-	-	-	-	( 2,400,699)	( 174,208)	( 8,022,129)	( 4,276,470)
Subtotal	-	-	-	-	-	-	13,973,509	1,480,852	3,356,120	3,396,150
Other revenue	-	-	-	-	-	1	-	-	224,495	512,962
Total revenue	-	-	-	-	-	1	13,973,509	1,480,852	3,580,615	3,909,112
Expenses										
Amortization	-	-	-	-	-	( 1)	-	-	-	-
Debt servicing	-	-	-	-	-	-	-	-	-	-
Salaries and benefits	-	-	-	-	-	1	-	-	792,649	1,410,064
Other	1,629	139,759	-	1	-	1	365,770	48,308	2,790,485	2,155,562
Total expenses	1,629	139,759	-	1	-	1	365,770	48,308	3,583,134	3,565,626
Surplus (Deficit)	\$ ( 1,629)	\$ ( 139,759)	\$ -	\$ ( 1)	\$ -	\$ -	\$ 13,607,739	\$ 1,432,544	\$ ( 2,519)	\$ 343,486

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

### 21. SEGMENT DISCLOSURE *(continued)*

	TOTAL	
	<u>2022</u>	<u>2021</u>
Revenue		
Federal Government		
I.S.C.	\$ 39,666,027	\$ 21,640,228
Health Canada	-	-
CMHC	1,310,098	5,260,801
First Peoples Development Inc.	-	-
Deferred from prior year	5,834,421	1,430,815
Deferred to following year	(13,841,173)	(5,834,422)
Subtotal	32,969,373	22,497,422
Other revenue	6,330,574	5,435,215
Total revenue	<u>39,299,947</u>	<u>27,932,637</u>
Expenses		
Amortization	3,480,530	3,290,018
Debt servicing	345,889	293,884
Salaries and benefits	4,622,130	4,764,408
Other	16,315,160	19,663,764
Total expenses	<u>24,763,709</u>	<u>28,012,074</u>
Surplus (Deficit)	\$ <u>14,536,238</u>	\$ ( <u>79,437</u> )