

**GARDEN HILL FIRST NATION**  
**CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

# GARDEN HILL FIRST NATION

MARCH 31, 2021

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## MANAGEMENT'S RESPONSIBILITY

To the Members of the Garden Hill First Nation:

The accompanying consolidated financial statements of Garden Hill First Nation and all the information in this annual report 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 upon 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 consolidated 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 consolidated financial statements.

The Finance Department reviews the First Nation's financial statements with the Chief and Council and recommends their approval. Chief and Council meet periodically with the Finance Department, 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 consolidated financial statements and the external auditor's report.

Zaplitny and Zamrykut, Chartered Professional Accountants were appointed by the Chief and Council to audit the consolidated financial statements and report directly to them and the members of the First Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their findings.



Chief



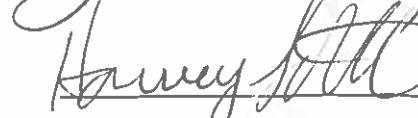
Councillor



Councillor



Councillor



Councillor



Councillor



## INDEPENDENT AUDITORS' REPORT

To the Members of the Garden Hill First Nation:

### **Disclaimer of Opinion**

We were engaged to audit the accompanying consolidated financial statements of Garden Hill First Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statement of operations, consolidated statement of changes in net financial assets (debt), and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. Because of the significance of the matter described in the Basis for Disclaimer of opinion paragraph, We were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion for the year ended March 31, 2021. The audit opinion on the consolidated financial statements for the year ended March 31, 2020 was a disclaimer of opinion accordingly based on no change from the prior to current year on the above basis for Disclaimer of Opinion and the possible effect of this matter on the comparability of the current period's figures and corresponding figures. Accordingly, We were unable to express an opinion on the consolidated financial statements.

### **Basis for Disclaimer of Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our disclaimer of opinion.

Detailed program records have not been maintained and certain supporting data was not available for our audit. The absence of proper records does not permit the application of the necessary audit procedures to satisfy ourselves that the financial statements are not materially misstated. As a result, we were unable to determine whether adjustments were required in respect of all financial position and operations accounts.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the consolidated financial statements, management is responsible for assessing the Program's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Program or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Program's financial reporting process.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee than an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Program'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 the Program to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the 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.

*Zaplitny & Zamrykut*

**ZAPLITNY & ZAMRYKUT**  
Chartered Professional Accountants  
510 Main Street North  
Dauphin, Manitoba  
R7N 1C9

**GARDEN HILL FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 3,940,150	\$ 1,385,719
Restricted Cash - Note 3	526,714	518,203
Accounts Receivable - Note 4	227,320	286,156
	<b>4,694,184</b>	<b>2,190,078</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts Payable and Accrued Liabilities - Note 5	1,504,983	430,921
Deferred Revenue - Note 6	2,131,984	2,331,441
Long Term Debt - Note 7	9,156,955	10,733,054
	<b>12,793,922</b>	<b>13,495,416</b>
<b>NET DEBT</b>	<b>(8,099,738)</b>	<b>(11,305,338)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets - Note 9	93,808,814	97,133,323
Inventories of Supplies	25,000	1,024,365
Prepaid Expenses	44,270	224,393
	<b>93,878,084</b>	<b>98,382,081</b>
<b>ACCUMULATED SURPLUS - NOTE 8</b>	<b>\$ 85,778,346</b>	<b>\$ 87,076,743</b>

Approved on Behalf of Garden Hill First Nation:

Chief: J. D. Bell

*Harvey*

Councillor: John Harvey

*Kwak*

Councillor: M. M. McLean

*Ken*

Councillor: Ron Beaudry

**GARDEN HILL FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<i>(Unaudited)</i> 2021 Budget	2021	2020
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ -	\$ 51,757,050	\$ 43,239,722
First Nations and Inuit Health (FNIHB)	-	8,653,256	6,635,011
Other Revenue	-	633,343	965,772
Island Lake Tribal Council	-	708,967	838,651
Rent	-	382,437	257,674
Canada Mortgage and Housing Corporation (CMHC)	-	968,618	360,473
Administration Fees	-	3,146,257	-
Deferred Revenue - Prior Year	-	2,331,441	2,162,379
Deferred Revenue - Current Year	-	(2,131,984)	(2,331,441)
	-	66,449,385	52,128,241
<b>EXPENSES</b>			
Governance and Administration	-	13,767,261	8,419,654
Social	-	15,125,799	13,505,254
Health	-	7,008,935	6,742,553
Housing	-	2,598,200	764,825
Economic Development	-	565,488	582,795
Education	-	23,229,782	18,701,419
Operations and Maintenance	-	5,101,546	5,420,500
Own Source	-	312,045	448,211
Daycare	-	38,726	370,840
	-	67,747,782	54,956,051
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>(1,298,397)</b>	<b>(2,827,810)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>87,076,743</b>	<b>89,904,553</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$ 85,778,346</b>	<b>\$ 87,076,743</b>

(The accompanying notes are an integral part of these financial statements.)

# GARDEN HILL FIRST NATION

## CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT) FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (1,298,397)	\$ (2,827,810)
Acquisition of Tangible Capital Assets	(3,468,643)	(4,273,640)
Amortization of Tangible Capital Assets	6,793,152	6,403,593
Change in Prepaid Expenses	180,123	(124,772)
Acquisitions of Supplies of Inventories	999,365	294,897
<b>CHANGE IN NET DEBT</b>	3,205,600	(527,732)
<b>NET DEBT, BEGINNING OF YEAR</b>	(11,305,338)	(10,777,606)
<b>NET DEBT, END OF YEAR</b>	\$ (8,099,738)	\$ (11,305,338)

(The accompanying notes are an integral part of these financial statements.)

# GARDEN HILL FIRST NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

MARCH 31, 2021

	2021	2020
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Annual Surplus (Deficit)	\$ (1,298,397)	\$ (2,827,810)
 <b>Items not requiring an outlay of cash:</b>		
Amortization	6,793,152	6,403,593
	<u>5,494,755</u>	<u>3,575,783</u>
 <b>CHANGES IN NON-CASH WORKING CAPITAL</b>		
Accounts Receivable	58,836	818,514
Prepaid Expenses	180,123	(124,772)
Inventory	999,364	294,897
Accounts Payable and Accruals	1,074,062	(6,864,904)
Deferred Revenue	(199,457)	169,062
Restricted Cash	(8,511)	(28,967)
	<u>2,104,417</u>	<u>(5,736,170)</u>
 <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>7,599,172</u>	<u>(2,160,387)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances of Long Term Debt	-	6,976,213
Long Term Debt Repayments	<u>(1,576,099)</u>	<u>(308,705)</u>
 <b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<u>(1,576,099)</u>	<u>6,667,508</u>
 <b>CASH FROM INVESTING ACTIVITIES</b>		
Property, Plant and Equipment Purchases	(3,468,642)	(4,273,640)
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,554,431</b>	<b>233,481</b>
 <b>NET CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>1,385,719</b>	<b>1,152,238</b>
 <b>NET CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 3,940,150</b>	<b>\$ 1,385,719</b>

(The accompanying notes are an integral part of these financial statements.)

# GARDEN HILL FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

### 1. NATURE OF ENTITY

The Garden Hill First Nation (the "First Nation") is located in the province of Manitoba, and provides various services to its Members. Garden Hill First Nation includes the First Nation's government and all related entities that are accountable to the First Nation and are either owned or controlled by the First 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 including the following significant accounting policies:

#### *Reporting entity*

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. As at March 31, 2021 the First Nation does not have any investments in business entities. Trusts administered on behalf of third parties by Garden Hill First Nation are excluded from the First Nation reporting entity.

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 a legal obligation to pay.

#### *Cash resources*

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.

#### *Funds held in Ottawa Trust Fund*

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

# GARDEN HILL FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ***Asset classification***

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

#### ***Net debt***

The First Nation's 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 comprise 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. Contributed tangible assets are recorded at their fair value at the date of contribution.

#### ***Amortization***

Tangible capital assets are amortized annually using the following method at rates intended to amortize the cost of the assets over their estimated useful lives. Assets under construction are not amortized until the assets are put into use.

	Method	Rate
Buildings	straight-line	20-50 years
Housing	straight-line	25 years
Equipment	straight-line	5-10 years
Roads and Bridges	straight-line	30-50 years
Vehicles	straight-line	3-15 years
Land Improvements	straight-line	20 years

#### ***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, exceeds the value of future economic benefits associated with the asset. Impairment is measured as the amount by which the assets' carrying value exceeds the residual value of the assets' service potential to the First Nation. Any impairment is included in operations for the year.

# GARDEN HILL FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ***Liability for contaminated sites***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2021.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

#### ***Inventory***

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

#### ***Revenue Recognition***

Government transfer revenue, including, but not limited to, Indigenous Services Canada, Health Canada and Canada Mortgage and Housing Corporation funding, is recognized as the funding becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with related department expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

Investment and interest revenue is recognized on an accrual basis in the year that it is earned.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collectability is reasonably assured.

# GARDEN HILL FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### *Financial instruments*

Financial instruments include cash, accounts receivable, restricted cash, inventory, accounts payable and accruals, 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 book value of the First Nation's financial assets and liabilities approximates their fair value due to the short-term maturities of the instruments. The fair value of the First Nation's long-term debt is approximated by its carrying value as the terms and conditions of similar instruments are not materially different from those associated with the First Nation's existing long-term debt.

#### Measurement uncertainty

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

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue.

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

# GARDEN HILL FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ***Segments***

The First Nation conducts its business through nine reportable segments as identified below. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance. For each 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. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

**Governance and Administration** - includes administration, governance activities, and band operations.

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

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

**Social** - includes activities delivering social and employment assistance programming.  
**Housing** - activities include the management and maintenance of Band owned houses for community members.

**Economic Development** - includes business development activities. **Health** - deliver health services to the First Nation.

**Health** - Deliver health services to the First Nation.

**Daycare** - exists to provide a safe and developmentally appropriate environment for the children.

**Other Programs** - includes all other programs and services of the First Nation.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2 the Significant accounting policies.

#### ***Employee future benefits***

The First Nation's employee future benefit programs consist of a defined contribution pension plan. The First Nation's contributions to the defined contribution plans are expenses as incurred.

# GARDEN HILL FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

### **3. RESTRICTED CASH**

	2021	2020
CMHC Replacement Reserve	\$ 510,427	\$ 501,916
Ottawa Trust Fund	16,287	16,287
	<b>\$ 526,714</b>	<b>\$ 518,203</b>

### **4. ACCOUNTS RECEIVABLE**

	2021	2020
Indigenous Services Canada	\$ 143,785	\$ 159,363
Health Canada	83,535	112,219
Other Receivables	-	14,574
	<b>227,320</b>	<b>286,156</b>
Less: Allowance for Doubtful Accounts	-	-
	<b>\$ 227,320</b>	<b>\$ 286,156</b>

### **5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2021	2020
Trade	\$ 1,504,983	\$ 159,308
Due to Indigenous Services Canada	-	266,513
Accrued Liabilities	-	5,100
	<b>\$ 1,504,983</b>	<b>\$ 430,921</b>

### **6. DEFERRED REVENUE**

	2021	2020
Island Lake Tribal Council Inc.	\$ -	\$ 9,812
First Nation Inuit Health	2,131,984	246,790
Indigenous Services Canada	-	2,074,839
	<b>\$ 2,131,984</b>	<b>\$ 2,331,441</b>

# GARDEN HILL FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

### 7. LONG TERM DEBT

These loans are secured by a ministerial guarantee by the Government of Canada unless otherwise noted.

	2021	2020
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,082 including interest Interest: 1.12% Maturity Date: December 1, 2021	\$ 27,567	\$ 64,065
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$6,759 including interest Interest: 1.87% Maturity Date: November 1, 2033	914,660	978,135
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$6,744 including interest Interest: 1.87% Maturity Date: November 1, 2033	912,549	975,878
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$5,792 including interest Interest: 1.87% Maturity Date: December 1, 2033	788,302	842,609
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$5,319 including interest Interest: 1.39% Maturity Date: May 1, 2035	818,380	872,589
Term Loan Payable Terms: Monthly payments of \$1,230 including interest Interest: 0.99% Maturity Date: March 20, 2020	-	23,565
First Nations Bank of Canada Term Loan Payable Terms: Monthly payments of \$133,994 including interest Interest: 5.12%	5,695,497	6,976,213
	<hr/> \$ 9,156,955	<hr/> \$ 10,733,054

# GARDEN HILL FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

### **8. ACCUMULATED SURPLUS**

	<b>2021</b>	<b>2020</b>
Equity in Ottawa Trust Funds	\$ 17,412	\$ 16,287
CMHC Operating Surplus Reserve	320,068	760,407
Investment in Tangible Capital Assets	87,018,141	86,400,269
Unrestricted Accumulated Surplus (Deficit)	(1,577,275)	(100,220)
	<b>\$ 85,778,346</b>	<b>\$ 87,076,743</b>

# GARDEN HILL FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 9. TANGIBLE CAPITAL ASSETS

	<b>Vehicles</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Roads and Bridges</b>	<b>Land Improvements</b>	<b>Housing</b>	<b>2021</b>
<b>COST</b>							
Balance, Beginning of Year	\$ 4,616,284	\$ 93,329,950	\$ 3,442,967	\$ 7,258,380	\$ 884,653	\$33,985,911	\$193,518,145
Acquisition of Tangible Capital Assets	1,604,797	799,241	958,328	31,302	74,975	-	3,468,643
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	6,221,081	94,129,191	4,401,295	7,289,682	959,628	33,985,911	196,986,788
<b>ACCUMULATED AMORTIZATION</b>							
Balance, Beginning of Year	2,047,513	35,074,082	1,333,581	5,523,262	818,827	51,587,557	96,384,822
Amortization	823,953	2,277,126	362,854	134,657	35,061	3,159,501	6,793,152
Balance, End of Year	2,871,466	37,351,208	1,696,435	5,657,919	853,888	54,747,058	103,177,974
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>							
	\$ 3,349,615	\$ 56,777,983	\$ 2,704,860	\$ 1,631,763	\$ 105,740	\$29,238,853	\$ 93,808,814

# GARDEN HILL FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### **9. TANGIBLE CAPITAL ASSETS**

	<b>Vehicles</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Roads and Bridges</b>	<b>Land Improvements</b>	<b>Housing</b>	<b>2020</b>
<b>COST</b>							
Balance, Beginning of Year	\$ 3,534,033	\$ 93,050,301	\$ 2,188,347	\$ 7,205,895	\$ 880,381	\$32,385,548	\$189,244,505
Acquisition of Tangible Capital Assets	1,082,251	279,649	1,254,620	52,485	4,272	1,600,363	4,273,640
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	4,616,284	93,329,950	3,442,967	7,258,380	884,653	33,985,911	193,518,145
<b>ACCUMULATED AMORTIZATION</b>							
Balance, Beginning of Year	1,446,975	32,815,087	1,081,374	5,390,001	787,728	48,460,064	89,981,229
Amortization	600,538	2,258,995	252,207	133,261	31,099	3,127,493	6,403,593
Balance, End of Year	2,047,513	35,074,082	1,333,581	5,523,262	818,827	51,587,557	96,384,822
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 2,568,771</b>	<b>\$ 58,255,868</b>	<b>\$ 2,109,386</b>	<b>\$ 1,735,118</b>	<b>\$ 65,826</b>	<b>\$32,398,354</b>	<b>\$ 97,133,323</b>

# **GARDEN HILL FIRST NATION**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2021**

### **10. ECONOMIC DEPENDENCE**

The First Nation receives a significant portion of its revenues pursuant to a funding arrangement with the Government of Canada.

### **11. PRIOR YEAR COMPARATIVES**

Certain prior year comparatives have been restated to conform to the current years presentation.

# GARDEN HILL FIRST NATION

## SCHEDULE 1 - SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
Allowances	\$ 1,762,452	\$ 953,532
Administration	932,172	-
Amortization	6,793,041	6,403,593
Bad Debts	-	17,245
Basic Needs	15,682,120	12,598,143
Board Travel, Training and Honoraria	1,546,674	473,506
Contracts	1,480,266	-
Community and Band Member Assistance	588,766	196,427
Insurance	360,532	407,117
Interest and Bank Charges	373,371	308,680
Office	812,365	862,329
Professional Development	26,737	580,289
Professional Fees	1,609,631	377,373
Projects and Program Costs	2,216,793	1,993,722
Repairs and Maintenance	10,491,365	4,728,451
Salaries and Benefits	19,571,458	19,659,187
Special Needs	430,725	361,797
Travel	1,974,306	2,269,965
Tuition	244,634	1,976,040
Utilities	850,374	788,655
	<b>\$ 67,747,782</b>	<b>\$ 54,956,051</b>

**GARDEN HILL FIRST NATION**  
**SCHEDULE 2 - CONSOLIDATED SUMMARY SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT**  
**FOR THE YEAR ENDED MARCH 31, 2021**

<b>Segments</b>	<b>Schedule #</b>	<b>Total Revenue</b>	<b>Total Expenses</b>	<b>2020-2021</b>		<b>2019-2020</b>
				<b>Surplus/Deficit</b>	<b>Surplus/Deficit</b>	<b>Surplus/Deficit</b>
Governance and Administration	3	\$ 9,558,746	\$ 13,767,261	\$ (4,208,515)	\$ (4,852,947)	
Social	4	15,130,696	15,125,799	4,897	(37,069)	
Health	5	7,003,595	7,008,935	(5,340)	(157,769)	
Housing	6	2,702,560	2,598,200	104,360	(226,150)	
Economic Development	7	584,446	565,488	18,958	(293,722)	
Education	8	24,291,807	23,229,782	1,062,025	1,032,334	
Operations and Maintenance	9	6,162,820	5,101,546	1,061,274	1,447,382	
Daycare	10	737,056	38,726	698,330	467,811	
Own Source	11	277,659	312,045	(34,386)	(207,680)	
		<b>\$ 66,449,385</b>	<b>\$ 67,747,782</b>	<b>\$ (1,298,397)</b>	<b>\$ (2,827,810)</b>	

**GARDEN HILL FIRST NATION**  
**SCHEDULE 1 - GOVERNANCE AND ADMINISTRATION**  
**CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<i>(Unaudited)</i> <b>2021</b> <b>Budget</b>	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ -	\$ 6,307,159	\$ 2,505,279
Province of Manitoba	-	-	638,639
Other	-	105,327	9,994
Deferred Revenue - Prior Year	-	-	412,795
Administration Fees	-	3,146,260	-
	-	9,558,746	3,566,707
<b>EXPENSES</b>			
Amortization	-	6,296,961	6,076,854
Aid and Assistance	-	525,113	190,911
Bank Charges and Interest	-	305,831	325,209
Chief and Council Honoraria and Travel	-	1,441,774	394,787
Community Events	-	59,204	-
Contract Work	-	47,257	-
Freight and Shipping	-	21,285	-
Insurance	-	79,695	66,929
Office	-	120,258	105,039
Professional Fees	-	1,164,058	293,256
Program Events	-	61,187	32,028
Rentals	-	12,342	-
Fuel	-	772,660	-
Repairs and Maintenance	-	482,183	114,000
Salaries and Benefits	-	1,056,340	468,405
Supplies	-	1,052,460	-
Telephone	-	76,371	-
Training	-	-	31,496
Travel	-	109,738	320,740
Utilities	-	22,546	-
Winter Road Expense	-	59,998	-
	-	13,767,261	8,419,654
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ (4,208,515)</b>	<b>\$ (4,852,947)</b>

**GARDEN HILL FIRST NATION**  
**SCHEDULE 2 - SOCIAL**  
**CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<i>(Unaudited)</i> 2021 Budget	2021	2020
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ -	\$ 15,130,696	\$ 13,468,185
<b>EXPENSES</b>			
Basic Needs Allowance	-	13,945,901	12,539,287
Contracts	-	21,714	-
In Home Care	-	29,423	58,856
Interest and Bank Charges	-	253	-
Office	-	42,954	38,646
Professional Development	-	2,913	-
Repairs and Maintenance	-	17,891	-
Salaries and Benefits	-	464,110	474,329
Special Needs Expenses	-	430,725	361,797
Supplies	-	141,265	-
Telephone and Internet	-	13,356	-
Utilities	-	-	7,691
Travel	-	13,794	24,648
Winter Road Expense	-	1,500	-
	-	15,125,799	13,505,254
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 4,897</b>	<b>\$ (37,069)</b>

**GARDEN HILL FIRST NATION**  
**SCHEDULE 3 - HEALTH**  
**CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<i>(Unaudited)</i> 2021 Budget	2021	2020
<b>REVENUE</b>			
First Nation and Inuit Health Branch (FNIHB)	\$ -	\$ 8,653,256	\$ 6,635,011
Other	- -	235,533	67,820
Deferred Revenue - Prior Year	- -	246,790	128,743
Deferred Revenue - Current Year	- -	(2,131,984)	(246,790)
	- -	7,003,595	6,584,784
<b>EXPENSES</b>			
Amortization	- -	173,676	84,229
Bad Debts	- -	- -	17,245
Bank Charges and Interest	- -	6,194	27,194
Covid 19	- -	1,706,796	- -
Honorarium	- -	43,750	40,200
Office	- -	95,021	619,291
Professional Development	- -	22,373	280,709
Projects	- -	359,286	768,568
Professional Fees	- -	74,440	51,436
Repairs and Maintenance	- -	834,330	622,334
Salaries and Benefits	- -	3,531,708	3,446,172
Travel	- -	161,361	785,175
	- -	7,008,935	6,742,553
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ (5,340)</b>	<b>\$ (157,769)</b>

**GARDEN HILL FIRST NATION**  
**SCHEDULE 4 - HOUSING**  
**CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<i>(Unaudited)</i> 2021 Budget	2021	2020
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ -	\$ 1,451,210	\$ -
Canada Mortgage and Housing Corporation (CMHC)	-	968,618	360,473
Rent	-	282,732	169,414
Other Income	-	-	8,788
	-	2,702,560	538,675
<b>EXPENSES</b>			
Amortization	-	322,404	242,511
Bank Charges and Interest	-	57,605	67,657
Contracts	-	643,021	-
Insurance	-	147,343	124,287
Fuel	-	6,592	33,450
Office	-	16,857	21,012
Professional Fees	-	725	5,250
Program Activities	-	243,711	-
Repairs and Maintenance	-	1,066,342	177,434
Salaries and Benefits	-	79,674	15,921
Telephone	-	-	6,418
Training	-	-	6,464
Travel	-	12,595	46,607
Utilities	-	1,331	17,814
	-	2,598,200	764,825
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 104,360</b>	<b>\$ (226,150)</b>

**GARDEN HILL FIRST NATION**  
**SCHEDULE 5 - ECONOMIC DEVELOPMENT**  
**CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<i>(Unaudited)</i> 2021 Budget	2021	2020
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ -	\$ 584,446	\$ 289,073
<b>EXPENSES</b>			
Contract Work	-	15,750	24,740
Fuel	-	641	-
Insurance	-	1,495	-
Office	-	-	31,364
Program Activities	-	304,162	148,088
Repairs and Maintenance	-	36,225	26,988
Salaries and Benefits	-	85,834	196,054
Telephone	-	2,182	-
Travel	-	78,660	146,822
Utilities	-	40,539	8,739
	-	565,488	582,795
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 18,958</b>	<b>\$ (293,722)</b>

# GARDEN HILL FIRST NATION

## SCHEDULE 6 - EDUCATION

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2021

	(Unaudited)		
	2021	2021	2020
	Budget		
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ -	\$ 23,237,757	\$ 20,599,838
Rent	- -	99,705	88,260
Revenue Deferred in Current Year	- -	-	(954,345)
Revenue Deferred in Prior Year	- -	954,345	-
	- -	24,291,807	19,733,753
<b>EXPENSES</b>			
Administration	- -	932,172	-
Allowances	- -	1,762,452	953,532
Contract	- -	92,100	-
Interest and Bank Charges	- -	3,488	12,145
Honoraria	- -	60,750	32,055
Insurance	- -	34,516	76,206
Office	- -	515,379	20,982
Other Program Expenses	- -	125,124	411,249
Professional Fees	- -	25,769	20,237
Professional Development	- -	1,451	247,687
Rent Expense	- -	28,450	-
Repairs and Maintenance	- -	4,761,723	2,001,283
Salaries and Benefits	- -	12,409,416	11,733,400
Special Activities	- -	28,768	-
Student Activities	- -	956,422	-
Student Transportation	- -	-	3,453
Supplies	- -	175,144	-
Travel	- -	509,020	840,592
Tuition	- -	244,634	1,976,040
Utilities	- -	466,774	372,558
Winter Road Purchases	- -	96,230	-
	- -	23,229,782	18,701,419
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 1,062,025</b>	<b>\$ 1,032,334</b>

**GARDEN HILL FIRST NATION**

**SCHEDULE 7 - OPERATIONS AND MAINTENANCE**  
**CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<i>(Unaudited)</i>		
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Budget</b>		
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	\$ -	\$ 5,027,505	\$ 6,377,347
Other Income	- -	14,821	-
Deferred Revenue - Prior Year	- -	1,120,494	1,611,029
Deferred Revenue - Current Year	- -	- (1,120,494)	-
	- -	6,162,820	6,867,882
<b>EXPENSES</b>			
Community Events	- -	3,000	-
Contract Work	- -	660,424	2,243,653
Freight	- -	69,533	31,976
Fuel	- -	192,444	127,528
Honorarium	- -	400	-
Insurance	- -	97,483	136,881
Office	- -	17,896	17,558
Professional Development	- -	- -	19,293
Professional Fees	- -	344,639	-
Repairs and Maintenance	- -	1,399,911	1,745,226
Rental	- -	6,523	-
Salaries and Benefits	- -	1,840,964	605,017
Supplies and Materials	- -	156,137	-
Telephone	- -	42,212	-
Travel	- -	54,774	129,992
Utilities	- -	185,063	363,376
Winter Road Expense	- -	30,143	-
	- -	5,101,546	5,420,500
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 1,061,274</b>	<b>\$ 1,447,382</b>

**GARDEN HILL FIRST NATION**  
**SCHEDULE 8 - DAYCARE**  
**CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<i>(Unaudited)</i>		
	2021	2021	2020
	Budget		
<b>REVENUE</b>			
Island Lake Tribal Council	\$ -	\$ 708,967	\$ 838,651
Indigenous Services Canada	- -	18,277	-
Deferred Revenue - Prior Year	- -	9,812	9,812
Deferred Revenue - Current Year	- -	- (9,812)	
	- -	737,056	838,651
<b>EXPENSES</b>			
Bank Charges and Interest	- -	- 610	
Insurance	- -	- 2,814	
Leases	- -	- 2,599	
Professional Development	- -	- 1,104	
Professional Fees	- -	- 3,694	
Salaries and Benefits	- -	- 286,471	
Supplies	- -	38,726 61,489	
Utilities	- -	- 12,059	
	- -	38,726	370,840
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 698,330</b>	<b>\$ 467,811</b>

**GARDEN HILL FIRST NATION**  
**SCHEDULE 9 - OWN SOURCE**  
**CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2021**

	<i>(Unaudited)</i>			
	2021			
	Budget	2021		2020
<b>REVENUE</b>				
Other	\$ -	\$ 277,662		\$ 240,531
<b>EXPENSES</b>				
Community and Member Assistance	- -	1,449		5,516
Office	- -	4,000		8,437
Professional Fees	- -	-		3,500
Projects	- -	-		199,867
Rentals	- -	-		4,675
Repairs and Maintenance	- -	58,429		9,210
Salaries and Benefits	- -	103,412		165,025
Travel	- -	62,027		51,981
Winter Road Expense	- -	82,728		-
	- -	312,045		448,211
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ (34,383)</b>		<b>\$ (207,680)</b>