

**Big Grassy River First Nation
Consolidated Financial Statements
For the year ended March 31, 2021**

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For the year ended March 31, 2021**

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Big Grassy River First Nation and all the information in this annual report are the responsibility of management and have been approved by Chief and Council of Big Grassy River First Nation.

The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the 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.

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

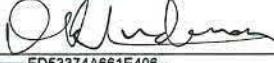
The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP have full and free access to the Council.

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Chief

Councilor

Councilor

Independent Auditor's Report

To Chief and Council of Big Grassy River First Nation

Qualified Opinion

We have audited the consolidated financial statements of Big Grassy River First Nation and its entities (the Group), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statement of operations, the consolidated statement of changes in net financial assets and the consolidated statement of cash flows for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and its consolidated results of operations, its consolidated changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

The Group derives revenues from sales of campground activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Group. Therefore, we were not able to determine whether any adjustments might be necessary to campground revenue, excess of revenue over expenses, and cash flows from operations for the year ended March 31, 2021, current assets as at March 31, 2021, and net assets as at March 31, 2021. Our audit opinion on the consolidated financial statements for the year ended March 31, 2021, was modified accordingly because of the possible effects of this limitation in scope.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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 the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Consolidated 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 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 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 Group'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 Group'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 consolidated 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 Group 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

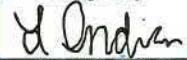
Fort Frances, Ontario
December 16, 2021

Big Grassy River First Nation Consolidated Statement of Financial Position

<u>March 31</u>	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents (Note 2)	\$ 8,626,772	\$ 16,372,578
Accounts and loans receivable (Note 3)	1,377,481	983,311
Portfolio investments (Note 16)	2,332,255	2,332,255
Investments held in trust (Note 13)	130,342	127,865
Government business enterprises (Note 9)	498,379	500,270
Total financial assets	12,965,229	20,316,279
Liabilities		
Accounts payable and accrued liabilities (Note 6)	2,665,353	1,887,556
Deferred revenue (Note 7)	6,086,264	5,019,881
Long-term debt (Note 8)	5,105,133	4,961,079
Due to related parties	27,963	9,990
Total liabilities	13,884,713	11,878,506
Net financial assets (debt)	(919,484)	8,437,773
Non-financial assets		
Prepaid expenses	53,946	17,865
Tangible capital assets (Note 4)	14,735,942	14,945,969
Tangible capital assets under construction (Note 4)	4,676,310	582,918
	19,466,198	15,546,752
Accumulated surplus (Note 12)	\$ 18,546,714	\$ 23,984,525

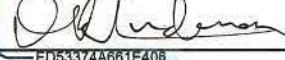
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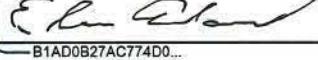
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Chief

Councilor

Councilor

Councilor

Big Grassy River First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2021	2020
(Note 11)			
Revenue			
Indigenous Services Canada (Note 14)	\$ 5,831,425	\$ 7,634,108	\$ 5,777,811
Ministry of Community and Social Services	136,595	805,294	803,068
Health Canada	547,291	506,124	522,804
Weechi-It-Te-Win Family Services	531,592	741,975	586,207
Ontario First Nations Limited Partnership	-	720,303	742,318
Canada Mortgage and Housing Corporation	-	314,522	231,608
Rentals	-	91,516	855
Ministry of Health	1,055	146,729	81,266
Shooniyaa Wa-Biitong	20,000	885	56,994
Grand Council Treaty #3	-	186,810	308,582
Highway Claim Settlement	-	-	8,102,508
Windy Point Settlement	-	-	7,424,357
Miscellaneous grants	541,049	2,019,267	568,759
Other	212,788	1,887,785	1,282,705
	<hr/> 7,821,795	<hr/> 15,055,318	<hr/> 26,489,842
Expenses			
Band support	1,878,058	4,248,720	3,949,870
Commercial and other	2,515	9,818,871	3,675,762
Education	3,263,605	2,711,195	2,886,473
Health and Social Services	1,602,437	3,010,144	2,533,333
Housing	20,000	704,199	563,956
	<hr/> 6,766,615	<hr/> 20,493,129	<hr/> 13,609,394
Annual surplus (deficit) for the year	<hr/> \$ 1,055,180	<hr/> (5,437,811)	<hr/> 12,880,448
Accumulated surplus, beginning of year		<hr/> 23,984,525	<hr/> 11,104,077
Accumulated surplus, end of year (Note 12)		<hr/> \$ 18,546,714	<hr/> \$ 23,984,525

Big Grassy River First Nation
Consolidated Statement of Changes in Net Financial Assets(Debt)

<u>For the year ended March 31</u>	<u>2021</u>	<u>2020</u>
Annual surplus (deficit) for the year	\$ (5,437,811)	\$ 12,880,448
Acquisition of capital assets	(4,748,573)	(2,020,309)
Amortization of capital assets	865,208	812,459
Net change in prepaid expenses	<u>(36,081)</u>	<u>(8,048)</u>
	(9,357,257)	11,664,550
Net financial assets (debt), beginning of year	<u>8,437,773</u>	<u>(3,226,777)</u>
Net financial assets (debt), end of year	<u>\$ (919,484)</u>	<u>\$ 8,437,773</u>

Big Grassy River First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2021	2020
Operating transactions		
Annual surplus (deficit)	\$ (5,437,811)	\$ 12,880,448
Adjustments for		
Amortization of capital assets	865,208	812,459
Net loss (income) from commercial enterprises	<u>1,891</u>	<u>(62,155)</u>
	(4,570,712)	13,630,752
Changes in non-cash working capital balances		
Investments held in trust	(2,478)	(2,462)
Accounts receivable	(394,170)	792,167
Prepaid expenditures	(36,079)	(8,046)
Accounts payable	777,797	597,662
Related party balances	17,973	9,990
Deferred revenue	1,066,382	4,099,703
Investments	<u>-</u>	<u>(279,625)</u>
	(3,141,287)	18,840,141
Capital transactions		
Net change in long-term debt	144,054	(756,072)
Purchase of capital assets	<u>(4,748,573)</u>	<u>(2,020,309)</u>
	(4,604,519)	(2,776,381)
Increase (decrease) in cash and cash equivalents	(7,745,806)	16,063,760
Cash and cash equivalents, beginning of year	<u>16,372,578</u>	<u>308,818</u>
Cash and cash equivalents, end of year	<u>\$ 8,626,772</u>	<u>\$ 16,372,578</u>
Represented by		
Cash and cash equivalents	<u>\$ 8,626,772</u>	<u>\$ 16,372,578</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Summary of Significant Accounting Policies

Basis of Accounting These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Chartered Professional Accountants of Canada Public Sector Accounting Handbook, and include all organizations, operations and activities that are:

- 1) accountable for the administration of the financial affairs and resources directly to the First Nation, and
- 2) are owned or controlled by the First Nation.

This includes all aspects of Band operations including provision of social, educational, administration and operational services, as well as the results of First Nation enterprises on a modified equity method as disclosed in these consolidated financial statements.

Other long-term investments are reflected at cost as disclosed in Note 16.

Government business enterprises are separate legal entities which do not rely on the government for funding. The First Nation's only government business enterprise consists of an investment in Mishkosiminiziibiing Development Corporation. This investment is accounted for using the modified equity basis of accounting.

Cash and Cash Equivalents Management considers all highly liquid investments with maturities of three months or less at acquisition to be cash equivalents.

Tangible Capital Assets Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. The First Nation does not capitalize interest charges as part of the cost of its tangible capital assets.

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the First Nation, forests, water, and other natural resources are not recognized as tangible capital assets.

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Summary of Significant Accounting Policies (continued)

Amortization Amortization is calculated on the cost, net of contributions on a straight-line or declining balance method as follows:

<u>Asset</u>	<u>Method</u>	<u>Rate</u>
School	Straight-line	40 years
Housing	Straight-line	40 years
Water project	Straight-line	40 years
Medical building	Straight-line	40 years
Roundhouse	Straight-line	40 years
Fire hall	Straight-line	40 years
Other buildings	Straight-line	40 years
Roads	Straight-line	40 years
Computer equipment	Declining balance basis	30%
Furniture and equipment	Declining balance basis	20%
Vehicles	Declining balance basis	30%

Program Surplus Programs funded by government agencies may be subject to recovery by the contributing agencies in accordance with funding arrangements and could result in adjustments to prior year funding.

Long-term Loans Receivable Loans are carried at the unpaid principal less allowances for doubtful loans.

Allowance for Doubtful Loans The First Nation maintains specific allowances for doubtful loans that reduces the carrying value of loans identified as impaired to their estimated realizable amounts.

Investments The modified equity method of accounting is used to account for investments in the First Nation's business enterprises which the First Nation owns and controls. Under this method, the investment is initially recorded at cost and the carrying value is adjusted annually thereafter to include the First Nation's pro rata share of post acquisition earnings.

Other investments (where control does not exist) are accounted for following the cost method of accounting. Under this method, the investment is recorded at cost and earnings from the investment are recognized only to the extent received or receivable.

Replacement Reserves The replacement reserve accounts are funded by an annual allocation based on amounts specified in agreements with Canada Mortgage and Housing Corporation.

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Summary of Significant Accounting Policies (continued)

Government Transfers	Government transfers, which include legislative grants, are recognized as revenue in the consolidated financial statements 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. When transfer stipulations give rise to a liability, government transfers are recognized as deferred revenue and recognized as revenue when the stipulations are settled.
Revenue Recognition	Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. Contributions from non-government sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.
	Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service is performed.
Financial Instruments	The First Nation's financial instruments consist of cash and cash equivalents in bank, accounts and loans receivable, advances to affiliated Companies, investments, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values unless otherwise noted.
Trust Funds	Trust funds are held in trust by Indigenous Services Canada (ISC), Kiitakiinaan Trust and Ah-Shoo-Gun Trust. Revenue on trust funds is recognized in accordance with terms of the related instrument.
Measurement Uncertainty	Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized on the consolidated financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

1. Summary of Significant Accounting Policies (continued)

Use of Estimates	The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
	The estimates used in the preparation of these consolidated financial statements are the useful lives of tangible capital assets and accrued liabilities.

Pension Plan	The First Nation maintains a defined contribution pension plan for its personnel. Expenses for this plan are equal to the First Nation's required contribution for the year.
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Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

2. Cash and Cash Equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Big Grassy River First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by Canada Deposit Insurance Corporation or as otherwise approved by Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Capital Improvement Fund. Cash and cash equivalents are comprised of the following:

	2021	2020
Internally restricted Reserves	\$ 424,661	\$ 345,231
Unrestricted Operating	<u>8,202,111</u>	<u>16,027,347</u>
Total cash and cash equivalents	<u><u>\$ 8,626,772</u></u>	<u><u>\$ 16,372,578</u></u>

3. Accounts and Loans Receivable

	2021	2020
Band member advances	\$ 351,326	\$ 354,003
Accounts receivable - General	1,373,591	979,420
Accounts receivable - Onigaming	423,168	423,168
Net advances to Mishkosiminiziibiing Development Corporation	<u>3,891</u>	<u>3,891</u>
	<u><u>2,151,976</u></u>	<u><u>1,760,482</u></u>
Allowance for doubtful accounts	<u><u>774,495</u></u>	<u><u>777,171</u></u>
	<u><u>\$ 1,377,481</u></u>	<u><u>\$ 983,311</u></u>

**Big Grassy River First Nation
Notes to Consolidated Financial Statements**

March 31, 2021

4. Tangible Capital Assets

	Cost		Accumulated Amortization				2021		2020	
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Write-downs	Closing Balance	Net Book Value	Net Book Value
School	\$ 5,169,214	\$ 54,593	\$ -	\$ 5,223,807	\$ 2,455,373	\$ 130,595	\$ -	\$ 2,585,968	\$ 2,637,839	\$ 2,713,841
Housing	15,107,964	209,850	-	15,317,814	6,480,834	382,945	-	6,863,779	8,454,035	8,627,130
Water project	4,297,309	-	-	4,297,309	2,578,387	107,433	-	2,685,820	1,611,489	1,718,922
Medical building	728,292	-	-	728,292	400,557	18,207	-	418,764	309,528	327,735
Roundhouse	227,626	-	-	227,626	85,364	5,691	-	91,055	136,571	142,262
Fire hall	324,844	-	-	324,844	80,458	8,121	-	88,579	236,265	244,386
Other buildings	1,332,102	43,129	-	1,375,231	825,055	59,554	-	884,609	490,622	507,047
Roads	401,936	-	-	401,936	401,936	-	-	401,936	-	-
Computer equipment	111,612	-	-	111,612	107,936	1,103	-	109,039	2,573	3,676
Furniture and equipment	479,341	-	-	479,341	355,679	24,732	-	380,411	98,930	123,662
Vehicles	963,904	347,609	-	1,311,513	732,162	118,568	-	850,730	460,783	231,742
Pow wow grounds	330,343	-	-	330,343	24,777	8,259	-	33,036	297,307	305,566
	\$ 29,474,487	\$ 655,181	\$ -	\$ 30,129,668	\$ 14,528,518	\$ 865,208	\$ -	\$ 15,393,726	\$ 14,735,942	\$ 14,945,969

The net book value of the tangible assets not being amortized because they are under construction is \$4,676,310 (2020 - \$582,918). These items are recognized separately as tangible capital assets under construction on the consolidated statement of financial position. This relates to the new water treatment plant development.

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

5. Bank Indebtedness

The First Nation has an approved operating line of credit with the CIBC in the amount of \$200,000, with interest at the prime rate plus 1.25%. Operating loans and the entire loan account of Big Grassy River First Nation with the CIBC is secured by a security agreement covering all assets, an Acknowledged Irrevocable Direction covering all Indigenous Services Canada funding and a Band Council Resolution authorizing Chief and Council to borrow by way of overdraft. There was \$200,000 unused credit capacity at year end.

6. Accounts Payable and Accrued Liabilities

	2021	2020
Accounts payable - general	\$ 2,277,794	\$ 1,517,997
Infrastructure payable	265,559	265,559
Accrued legal settlement obligation (Note 18)	122,000	104,000
	<hr/> \$ 2,665,353	<hr/> \$ 1,887,556

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

7. Deferred Revenue

	Balance March 31 2020	Funding Received 2021	Funding Recognized 2021	Balance March 31 2021
ISC				
Youth mobilization	\$ 383,443	\$ -	\$ 285,641	\$ 97,802
Community Planning	75,000	75,000	80,447	69,553
Post-Secondary Education	93,099	696,676	585,209	204,566
FN School Target HSCE	64,830	130,652	195,482	-
Water Treatment Plant	4,023,259	-	908,968	3,114,291
HR Succession Planning	-	75,000	-	75,000
Block FN School Formula	-	1,819,282	961,438	857,844
FN School Emergencies	-	58,274	11,373	46,901
COVID-19 School Reopening	-	18,123	-	18,123
Post-Secondary COVID-19	-	111,017	-	111,017
Skills Link	-	71,374	36,338	35,036
CEAP Housing	-	16,704	11,493	5,211
Planning Design and Construction	-	83,520	-	83,520
Construction	-	150,335	-	150,335
Community Based Initiative	-	151,644	54,348	97,296
COVID-19 ICSF3 - EMAP	-	80,832	46,618	34,214
Planning & Response (COVID-19)	-	13,000	-	13,000
Response	-	242,802	-	242,802
IMM PLNG & RPTG (COVID-19)	-	5,760	-	5,760
Emerging Technologies (COVID-19)	-	4,525	-	4,525
Health Canada				
Brighter Futures	15,454	-	15,454	-
NNAADAP	26,076	-	26,076	-
Ontario Child & Youth	20,380	40,587	45,417	15,550
Aboriginal Diabetes	13,519	17,601	-	31,120
Federal Tobacco Control Strategy	-	5,211	-	5,211
CDCM - Pub Health NS & Chrs	-	6,394	4,442	1,952
Mental Wellness Program	-	291,953	197,264	94,689
Community Facilities O&M	-	84,746	46,425	38,321
AKRC ADI	1,875	6,250	8,125	-
AKRC Diabetes Education	5,000	6,250	11,250	-
AKRC Family Well-Being	47,756	167,957	215,713	-
GCT#3 COVID-19 Relief	20,255	-	20,255	-
GCT#3 Diabetes Program Enhancement	10,000	25,000	10,000	25,000
GCT#3 Student Mental Health	-	50,661	-	50,661
GCT#3 Resource Revenue Sharing	-	290,766	28,712	262,054
GCT#3 AI Customary Care	-	49,437	-	49,437
Weichi-It-Te-Win Internet & Trailer Upgrade	121,955	-	121,955	-
Weichi-It-Te-Win COVID-19 Pandemic Support	-	10,000	-	10,000
Weichi-It-Te-Win Devolution	-	445,444	354,413	91,031
Weichi-It-Te-Win Land Based Cultural	-	10,000	-	10,000
Weichi-It-Te-Win One-Time Mental Health	-	9,000	-	9,000
Carried forward	\$ 4,921,901	\$ 5,321,777	\$ 4,282,856	\$ 5,960,822

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

7. Deferred Revenue (continued)

Brought forward	\$ 4,921,901	\$ 5,321,777	\$ 4,282,856	\$ 5,960,822
IHWS Community Wellness Worker	25,284	76,688	39,308	62,664
MCCSS	17,690	146,729	164,419	-
Ministry of Indigenous Affairs	20,536	85,000	105,536	-
Seven Generations	10,135	-	10,135	-
Shooniyyaa Wa-Biitong	24,335	14,075	885	37,525
IESO Education Capacity Building	-	49,978	24,725	25,253
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 5,019,881	\$ 5,694,247	\$ 4,627,864	\$ 6,086,264

Indigenous Services Canada

Indigenous Services Canada advances the First Nation funding for many different programs and projects. These fixed and flexible funding contributions must be spent on eligible expenses within each of these programs and projects.

Health Canada

Health Canada advances the First Nation funding for various different programs. These fixed and flexible funding contributions must be spent on eligible expenses within each of these programs.

Grand Council Treaty #3

GCT#3 advances the First Nation funding for various different programs. This funding must be spent on eligible expenses within each of these programs.

Indigenous Healing and Wellness Strategy

IHWS advances the First Nation funding for Community Wellness Workers. This funding must be spent on eligible expenses within this program.

Ministry of Children, Community, and Social Services

MCCSS advances the First Nation funding for community support services, including homemaking services. This funding must be spent on eligible long-term care homemaker expenses within the program.

Ministry of Indigenous Affairs

The province advances the First Nation funding for provincial flood claims. This funding must be spent on eligible expenses within the project claim.

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

7. Deferred Revenue (continued)

Seven Generations Education Institute

Seven Generations advances the First Nation funding for the Language Revitalization Project. This funding must be spent on eligible expenses for the revitalization of the Ojibwe language.

Shooniyaa Wa-Biitong

Shooniyaa Wa-Biitong advances the First Nation funding for the Child Care Initiative. This funding must be used to provide child care in the community.

Weechi-It-Te-Win

Weechi-It-Te-Win advances the First Nation additional funding in relation to the Internet and Trailer Upgrade project. This funding must be spent on eligible expenses within the project.

Ministry of Indigenous Affairs IAO

Ministry of Indigenous Affairs IAO advances the First Nation funding for the COVID-19 vaccine rollout. This funding must be spent on eligible expenses to provide vaccines to the community.

IESO

IESO advances the First Nation funding for the Education Capacity Building. This funding must be spent on eligible expenses within this program.

8. Long-term Debt

	2021	2020
CMHC loan - Phase IV Project with interest at 2.20%, requiring monthly payments of \$4,820 principal and interest, secured by an assignment of fire insurance and a ministerial guarantee, renewal date January 2023.	\$ 103,831	158,751
CMHC loan - interest rate at 0.96%, repayable \$3,109 monthly, secured by a general security agreement, renewal date March 2026.	499,497	532,442
CMHC loan - interest rate at 2.70%, requiring monthly payments of \$3,488 commencing August 2008, secured by an assignment of fire insurance and a ministerial guarantee, renewal date November 2023.	439,038	468,703
CMHC loan - interest rate at 0.96%, repayable \$3,305 monthly, secured by a general security agreement, renewal date March 2026.	507,891	541,977
Carried forward	<u>\$ 1,550,257</u>	<u>\$ 1,701,873</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

8. Long-term Debt (continued)

Brought forward	\$ 1,550,257	\$ 1,701,873
CMHC loan - interest rate at 0.27%, repayable \$3,841 monthly, secured by a general security agreement, renewal date October 2021.	681,006	722,281
CMHC loan - interest rate at 1.30%, requiring monthly payments of \$2,194 secured by an assignment of fire insurance and a ministerial guarantee, renewal date June 2022.	271,688	294,344
CIBC loan - interest at prime rate plus 1.5%, requiring monthly payments of \$1,310 plus interest, secured by automotive equipment, maturing September 2023.	37,950	53,670
ISC Timber Claim, repayable in full from proceeds of claim, repayable on the earlier of March 31, 2025, or the date on which the claim is settled.	228,873	222,052
ISC Flood Claim, repayable in full from proceeds of claim, secured by a Promissory Note, repayable on the earlier of March 31, 2026, or the date on which the claim is settled.	2,107,592	1,939,092
ISC Windy Point, repayable in full from proceeds of claim, secured by a Promissory Note, repayable on the earlier of March 31, 2020, or the date on which the claim is settled.	-	53,670
Farming Land Specific Claim, repayable in full from proceeds of claim, repayable on the earlier of March 31, 2025, or the date on which the claim is settled.	227,767	27,767
	<hr/>	<hr/>
	\$ 5,105,133	\$ 4,961,079

The estimated principal repayments on the above long-term debt required over the next five years and thereafter are as follows:

Year	Amount
2022	\$ 377,604
2023	496,262
2024	596,393
2025	1,710,371
2026	366,259
Thereafter	<hr/> 1,558,244
	<hr/> \$ 5,105,133

**Big Grassy River First Nation
Notes to Consolidated Financial Statements**

March 31, 2021

9. Government Business Enterprises, at modified equity

Mishkosiminiziibing Development Corporation

Mishkosiminiziibing Development Corporation is a Corporation that was created for the purpose of exploring economic activities that the First Nation can be involved in.

Big Grassy LP

Big Grassy LP is a limited partnership that was created for the purpose of exploring economic activities for Big Grassy River First Nation.

Percentage ownership	MDC	Big Grassy LP
100%	99.9%	
Carrying value, March 31, 2019	\$ 438,115	\$ -
Purchase of shares/units	-	9,990
Share of net income	(180,323)	232,488
Carrying value, March 31, 2020	257,792	242,478
Share of net income	(171,743)	169,852
Carrying value, March 31, 2021	\$ 86,049	\$ 412,330

Big Grassy River First Nation
Notes to Consolidated Financial Statements

March 31, 2021

9. Government Business Enterprises, at modified equity (continued)

	<u>MDC</u> <u>2021</u>	<u>2020</u>	<u>Big Grassy LP</u> <u>2021</u>	<u>Big Grassy LP</u> <u>2020</u>
Financial position				
Current assets	\$ 42,407	\$ 236,377	\$ 400,170	\$ 242,478
Long-term assets	84,050	67,549	93,605	-
	<u>\$ 126,457</u>	<u>\$ 303,926</u>	<u>\$ 493,775</u>	<u>\$ 242,478</u>
Current liabilities	\$ 29,272	\$ 21,386	\$ 81,445	\$ -
Long-term liabilities	11,136	24,748	-	-
	<u>40,408</u>	<u>46,134</u>	<u>81,445</u>	<u>\$ -</u>
Share capital	1,000	1,000	9,990	9,990
Net equity, end of year	85,049	256,792	402,340	232,488
	<u>86,049</u>	<u>257,792</u>	<u>412,330</u>	<u>242,478</u>
	<u>\$ 126,457</u>	<u>\$ 303,926</u>	<u>\$ 493,775</u>	<u>\$ 242,478</u>
Results of operations				
Revenues	\$ 30,901	\$ 274,734	\$ 811,553	\$ 232,488
Operating expenses	202,644	455,057	641,701	-
	<u>(171,743)</u>	<u>(180,323)</u>	<u>169,852</u>	<u>232,488</u>
Net income (loss)	256,792	437,115	232,488	-
Net equity, beginning of year	\$ 85,049	\$ 256,792	\$ 402,340	\$ 232,488
Net equity, end of year	\$ 85,049	\$ 256,792	\$ 402,340	\$ 232,488

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

10. Defined Contribution Pension Plan

The expense for the First Nation pension plan for the year was \$38,627 (2020 - \$45,751). The plan is funded by the First Nation employees at the rate of 5.3% of the employees' salary.

11. Budget

The budget approved by Chief and Council was not prepared on a consolidated basis and does not include all of the activities of the First Nation. As a result, budget figures are only presented on a non-consolidated basis for programs where available.

12. Accumulated Surplus

The First Nation segregates its accumulated surplus into the following categories:

	2021	2020
Current funds	\$ 1,014,997	\$ 10,631,116
Investment in capital assets	16,853,120	12,756,719
Investment in INAC trust funds	130,342	127,865
Equity in enterprises	123,594	123,594
Replacement reserve	<u>424,661</u>	<u>345,231</u>
	<u>\$18,546,714</u>	<u>\$ 23,984,525</u>

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited in amounts established by CMHC. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Deposit Insurance Corporation from time to time. The funds in the account may only be used as approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal.

At year end, the funds in the reserve were required to be \$424,661 (2020 - \$345,231).

<u>For the year ended March 31</u>	2021	2020					
	6-Unit Housing	7-Unit Housing	10-Unit Housing	6-Plex Housing	9-Unit Housing	Total	Total
Balance, beginning of year	\$68,880	\$ 98,605	\$89,864	\$71,813	\$16,069	\$345,231	\$305,906
Allocation for the year	<u>7,200</u>	<u>12,075</u>	<u>8,500</u>	<u>8,400</u>	<u>43,255</u>	<u>79,430</u>	<u>39,325</u>
Balance, end of year	\$76,080	\$ 110,680	\$ 98,364	\$ 80,213	\$ 59,324	\$424,661	\$345,231

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

13. Investments Held in Trust

The trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. These funds are restricted for their use, of which the Band is generally permitted to use for a purpose that will promote the general progress and welfare of the Band and Band members. The management of these funds is primarily governed by the sections of the Indian Act.

	Balance March 31, 2020	Additions 2021	Withdrawals 2021	Balance March 31, 2021
Held by Federal Government				
Capital	\$ 60,176	\$ -	\$ -	\$ 60,176
Revenue	<u>67,689</u>	<u>2,477</u>	<u>-</u>	<u>70,166</u>
	<u>\$ 127,865</u>	<u>\$ 2,477</u>	<u>\$ -</u>	<u>\$ 130,342</u>

14. Indigenous Services Canada Funding Reconciliation

	2021	2020
ISC revenue per funding confirmation	\$ 8,280,272	\$ 9,497,265
Recovery of prior years' funding	-	-
Deferred revenue, beginning of year	4,639,629	920,175
Deferred revenue, end of year	<u>(5,285,793)</u>	<u>(4,639,629)</u>
Balance, end of year	<u>\$ 7,634,108</u>	<u>\$ 5,777,811</u>

15. Government Transfers

	Operating	Capital	2021 Total	Operating	Capital	2020 Total
Federal						
ISC	\$ 3,301,094	\$ 4,333,014	\$ 7,634,108	\$ 4,786,801	\$ 991,010	\$ 5,777,811
Health Canada	444,214	-	444,214	522,804	-	522,804
CMHC	314,522	-	314,522	231,608	-	231,608
Sub-total	4,059,830	4,333,014	8,392,844	5,541,213	991,010	6,532,223
Provincial	1,100,296	-	1,100,296	1,042,556	162,873	1,205,429
Total	\$ 5,160,126	\$ 4,333,014	\$ 9,493,140	\$ 6,583,769	\$ 1,153,883	\$ 7,737,652

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

16. Portfolio Investments

Investments consist of the following:

	Actual	Budget
398,879 Common shares of New Gold	\$ 2,052,630	\$ 2,052,630
Allowance for investment value	<u>(720,375)</u>	<u>(720,375)</u>
	1,332,255	1,332,255
Bank note due November 2024	500,000	500,000
Bank note due November 2026	<u>500,000</u>	<u>500,000</u>
	<u>\$ 2,332,255</u>	<u>\$ 2,332,255</u>

Portfolio investments are valued at cost. The fair market value of the common shares of New Gold at March 31, 2021, are \$773,825 (2020 - \$291,182) and the fair market value of the bank notes at March 31, 2021, are \$502,265 and \$566,460 (2020 - \$379,107 and \$297,670).

17. Expenditure by Object

	2021	2020
Salaries, wages and honoraria	\$ 4,080,764	\$ 5,915,787
Office, equipment, supplies and program expenses	2,025,070	1,918,038
Professional services	950,681	754,809
Utilities, fuel and maintenance	603,802	679,200
Travel, training and meetings	931,378	1,178,114
Amortization	865,208	812,459
Other expenses	<u>11,036,226</u>	<u>2,350,987</u>
	<u>\$ 20,493,129</u>	<u>\$ 13,609,394</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2021

18. Contingencies

The Organization was named in three separate lawsuits, which are unresolved as of the date of the audit report. Management has accrued a maximum liability of \$122,000 (2020 - \$104,000) in the consolidated financial statements related to two of the claims. The outcome of the other claim is unknown and therefore, no provision for this claim has been made in the consolidated financial statements. The Organization has hired Counsel to defend its position on these matters.

19. Segmented Financial Information

The First Nation provides a variety of services including band administration, health and social services, education, housing, commercial and other.

Band Administration

Administration is comprised of the Administration and Finance department. This department performs a management and administrative role by holding Council Meetings to administer the delivery of programs and services and to help develop a strategy for the future.

Health and Social Services

The First Nation operates a variety of health and social programs to provide health awareness, prevention and assistance programs for community members.

Education

Education and educational programs are responsible for the operation of the school and providing the resources necessary to enhance the educational development of community members.

Housing

Housing programs provide and maintain shelter to community members by building and renovating housing.

Commercial and Other

The First Nation operates a variety of commercial and other activities including the Assabaska Park, Fisheries and Pow Wow.

Big Grassy River First Nation
Notes to Consolidated Financial Statements

March 31, 2021

19. Segmented Financial Information (continued)

	Administration	Band Administration	Commercial and Other	Education	Health and Social Services	Housing	2021
Revenue							
Government transfers	\$ 3,579,753	\$ 118,485	\$ 2,537,492	\$ 1,723,572	\$ 275,443	\$ 8,116,260	
Commercial activity	-	-	-	-	-	-	118,485
Other income	3,334,824	1,976,179	70,495	1,399,996	39,079		6,820,573
	6,914,577	2,094,664	2,607,987	3,123,568	314,522	15,055,318	
Expenses							
Amortization	335,890	-	178,655	34,158	316,505	865,208	
Other expenses	1,265,517	9,450,748	47,428	177,378	95,155	11,036,226	
Office, equipment, supplies and program expenses	469,471	82,342	949,249	501,005	23,003	2,025,070	
Professional	819,129	-	33,163	24,532	73,857	950,681	
Travel, training and meetings	87,846	95,309	21,397	726,223	603	931,378	
Utilities, fuel and maintenance	132,711	33,943	116,200	161,736	159,212	603,802	
Wages, benefits and honoraria	1,138,156	156,529	1,365,103	1,385,112	35,864	4,080,764	
	4,248,720	9,818,871	2,711,195	3,010,144	704,199	20,493,129	
Excess (deficiency) of revenue over expenses for the year	\$ 2,665,857	\$ (7,724,207)	\$ (103,208)	\$ 113,424	\$ (389,677)	\$ (5,437,811)	

March 31, 2021

**Big Grassy River First Nation
Notes to Consolidated Financial Statements**

19. Segmented Financial Information (continued)

	Administration	Band	Commercial and Other	Education	Health and Social Services	Housing	2020
Revenue							
Government transfers	\$ 1,487,276	\$ -	\$ 3,428,166	\$ 1,425,008	\$ 996,561	\$ 7,337,011	
Commercial activity	-	154,432	-	-	-	-	154,432
Other income	1,927,076	15,98,319	239,957	793,113	39,934	18,998,399	
	3,414,352	16,152,751	3,668,123	2,218,121	1,036,495	26,489,842	
Expenses							
Amortization	284,089	-	170,897	40,968	316,505	812,459	
Other expenses	1,061,865	1,064,219	59,740	88,521	76,642	2,350,987	
Office, equipment, supplies and program expenses	496,835	156,515	1,003,182	208,577	52,929	1,918,038	
Professional	642,796	-	58,095	42,630	11,288	754,809	
Travel, training and meetings	295,010	4,794	70,267	807,879	164	1,178,114	
Utilities, fuel and maintenance	161,057	23,089	190,619	207,809	96,626	679,200	
Wages, benefits and honoraria	1,008,218	2,427,145	1,333,673	1,136,949	9,802	5,915,787	
	3,949,870	3,675,762	2,886,473	2,533,333	563,956	13,609,394	
Excess (deficiency) of revenue over expenses for the year							
	\$ (535,518)	\$ 12,476,989	\$ 781,650	\$ (315,212)	\$ 472,539	\$ 12,880,448	