

Big Grassy River First Nation
Consolidated Financial Statements
For the year ended March 31, 2022

Big Grassy River First Nation
Consolidated Financial Statements
For the year ended March 31, 2022

	Contents
Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3
Consolidated Financial Statements	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Changes in Net Financial Assets (Debt)	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9

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.

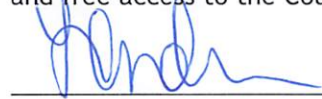
The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has 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.



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, 2022, and the consolidated statement of operations, the consolidated statement of changes in net financial assets (debt) 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, 2022, and its consolidated results of operations, its consolidated changes in net financial assets (debt), 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, 2022, current assets as at March 31, 2022, and net assets as at March 31, 2022. Our audit opinion on the consolidated financial statements for the year ended March 31, 2022, 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
July 28, 2023

Big Grassy River First Nation Consolidated Statement of Financial Position

March 31	2022	2021
Financial assets		
Cash and cash equivalents (Note 2)	\$ 9,077,077	\$ 8,626,772
Accounts and loans receivable (Note 3)	2,022,954	1,377,481
Portfolio investments (Note 16)	2,167,309	2,332,255
Investments held in trust (Note 13)	131,518	130,342
Government business enterprises (Note 9)	1,329,385	498,379
Total financial assets	14,728,243	12,965,229
Liabilities		
Accounts payable and accrued liabilities (Note 6)	1,985,755	2,665,353
Deferred revenue (Note 7)	6,874,172	6,086,264
Long-term debt (Note 8)	4,999,430	5,105,133
Due to related parties	24,649	27,963
Total liabilities	13,884,006	13,884,713
Net financial assets (debt)	844,237	(919,484)
Non-financial assets		
Prepaid expenses	45,833	53,946
Tangible capital assets (Note 4)	20,644,677	14,735,942
Tangible capital assets under construction (Note 4)	1,659,855	4,676,310
	22,350,365	19,466,198
Accumulated surplus (Note 12)	\$ 23,194,602	\$ 18,546,714

Approved on behalf of the First Nation:

 _____ Chief

 _____ Councilor

 _____ Councilor

Big Grassy River First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2022	2021
	(Note 11)		
Revenue			
Indigenous Services Canada (Note 14)	\$ 8,759,076	\$ 6,360,577	\$ 7,653,108
Ministry of Community and Social Services	536,556	1,225,784	805,294
Health Canada (Note 14)	821,144	620,819	506,124
Weechi-It-Te-Win Family Services	586,207	650,010	722,975
Ontario First Nations Limited Partnership	430,150	437,276	720,303
Canada Mortgage and Housing Corporation	-	227,635	314,522
Rentals	-	-	91,516
Ministry of Health	92,016	84,349	146,729
Shooniyaa Wa-Biitong	6,839	63,878	885
Grand Council Treaty #3	-	898,825	186,810
Miscellaneous grants	3,578,844	2,262,102	2,019,267
Other	3,247,467	3,216,306	1,887,785
	<u>18,058,299</u>	<u>16,047,561</u>	<u>15,055,318</u>
Expenses			
Band support	1,878,058	3,073,113	4,248,720
Commercial and other	2,515	761,294	9,818,871
Education	3,263,605	3,159,179	2,711,195
Health and Social Services	1,602,437	3,642,147	3,010,144
Housing	20,000	763,940	704,199
	<u>6,766,615</u>	<u>11,399,673</u>	<u>20,493,129</u>
Annual surplus (deficit) for the year	<u>\$ 11,291,684</u>	4,647,888	(5,437,811)
Accumulated surplus, beginning of year		<u>18,546,714</u>	<u>23,984,525</u>
Accumulated surplus, end of year (Note 12)		<u>\$ 23,194,602</u>	<u>\$ 18,546,714</u>

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

For the year ended March 31	2022	2021
Annual surplus (deficit) for the year	\$ 4,647,888	\$ (5,437,811)
Proceeds on disposal of capital assets	18,677	-
Gain on disposal of capital assets	(10,108)	-
Acquisition of capital assets	(3,982,139)	(4,748,573)
Amortization of capital assets	1,081,290	865,208
Net change in prepaid expenses	8,113	(36,081)
	1,763,721	(9,357,257)
Net financial assets (debt), beginning of year	(919,484)	8,437,773
Net financial assets (debt), end of year	\$ 844,237	\$ (919,484)

Big Grassy River First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2022	2021
Operating transactions		
Annual surplus (deficit)	\$ 4,647,888	\$ (5,437,811)
Adjustments for		
Amortization of capital assets	1,081,290	865,208
Gain on disposal of capital assets	(10,108)	-
Net loss (income) from commercial enterprises	(930,113)	1,891
	<u>4,788,957</u>	<u>(4,570,712)</u>
Changes in non-cash working capital balances		
Investments held in trust	(1,176)	(2,478)
Accounts receivable	(645,473)	(394,170)
Prepaid expenditures	8,113	(36,079)
Accounts payable	(679,599)	777,797
Related party balances	(3,314)	17,973
Deferred revenue	787,909	1,066,382
Investments	164,946	-
	<u>4,420,363</u>	<u>(3,141,287)</u>
Capital transactions		
Net change in long-term debt	(105,703)	144,054
Acquisition of capital assets	(3,982,139)	(4,748,573)
Proceeds on disposal of capital assets	18,677	-
	<u>(4,069,165)</u>	<u>(4,604,519)</u>
Investing Activities		
Contributions from subsidiaries	<u>99,107</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	450,305	(7,745,806)
Cash and cash equivalents, beginning of year	<u>8,626,772</u>	<u>16,372,578</u>
Cash and cash equivalents, end of year	<u>\$ 9,077,077</u>	<u>\$ 8,626,772</u>
Represented by		
Cash and cash equivalents	<u>\$ 9,077,077</u>	<u>\$ 8,626,772</u>

Big Grassy River First Nation

Notes to Consolidated Financial Statements

March 31, 2022

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 Mishkosiminzibiing 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, 2022

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	<p>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.</p> <p>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.</p>		
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, 2022

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	<p>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.</p> <p>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.</p> <p>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.</p>
Financial Instruments	The First Nation's financial instruments consist of cash and cash equivalents, 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.
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.

Big Grassy River First Nation

Notes to Consolidated Financial Statements

March 31, 2022

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.

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:

	2022	2021
Internally restricted		
Reserves	\$ 433,974	\$ 424,661
Unrestricted		
Operating	8,643,103	8,202,111
Total cash and cash equivalents	\$ 9,077,077	\$ 8,626,772

3. Accounts and Loans Receivable

	2022	2021
Band member advances	\$ 355,263	\$ 351,326
Accounts receivable - General	2,019,063	1,373,591
Accounts receivable - Onigaming	240,255	423,168
Net advances to Mishkosiminiziibiing Development Corporation	3,891	3,891
	2,618,472	2,151,976
Allowance for doubtful accounts	595,518	774,495
	\$ 2,022,954	\$ 1,377,481

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2022

4. Tangible Capital Assets

	Cost				Accumulated Amortization				2022	2021
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Disposals and Write- downs	Closing Balance	Net Book Value	Net Book Value
School	\$ 5,223,807	\$ -	\$ -	\$ 5,223,807	\$ 2,585,968	\$ 130,595	\$ -	\$ 2,716,563	\$ 2,507,244	\$ 2,637,839
Housing	15,317,814	-	-	15,317,814	6,863,779	382,945	-	7,246,724	8,071,090	8,454,035
Water project	4,297,309	-	-	4,297,309	2,685,820	107,433	-	2,793,253	1,504,056	1,611,489
Water treatment plant	-	6,288,187	-	6,288,187	-	157,205	-	157,205	6,130,982	-
Medical building	728,292	-	-	728,292	418,764	18,207	-	436,971	291,321	309,528
Roundhouse	227,626	-	-	227,626	91,055	5,691	-	96,746	130,880	136,571
Fire hall	324,844	10,183	-	335,027	88,579	8,376	-	96,955	238,072	236,265
Other buildings	1,375,231	-	-	1,375,231	884,609	59,554	-	944,163	431,068	490,622
Roads	401,936	-	-	401,936	401,936	-	-	401,936	-	-
Computer equipment	111,612	-	-	111,612	109,039	772	-	109,811	1,801	2,573
Furniture and equipment	479,341	-	-	479,341	380,411	19,786	-	400,197	79,144	98,930
Vehicles	1,311,513	700,224	(33,927)	1,977,810	850,730	182,467	(25,358)	1,007,839	969,971	460,783
Pow wow grounds	330,343	-	-	330,343	33,036	8,259	-	41,295	289,048	297,307
	<u>\$ 30,129,668</u>	<u>\$ 6,998,594</u>	<u>\$ (33,927)</u>	<u>\$ 37,094,335</u>	<u>\$ 15,393,726</u>	<u>\$ 1,081,290</u>	<u>\$ (25,358)</u>	<u>\$ 16,449,658</u>	<u>\$ 20,644,677</u>	<u>\$ 14,735,942</u>

The net book value of the tangible assets not being amortized because they are under construction is \$1,659,855 (2021 - \$4,676,310). These items are recognized separately as tangible capital assets under construction on the consolidated statement of financial position. This relates to the new housing and a new Cultural Centre.

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2022

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

	2022	2021
Accounts payable - general	\$ 1,643,196	\$ 2,277,794
Infrastructure payable	265,559	265,559
Accrued legal settlement obligation (Note 18)	77,000	122,000
	<u>\$ 1,985,755</u>	<u>\$ 2,665,353</u>

7. Deferred Revenue

	Balance March 31, 2021	Funding Received 2022	Funding Recognized 2022	Balance March 31, 2022
ISC				
ICSF - DIR ALL EMAP	\$ -	\$ 210,984	\$ -	\$ 210,984
Youth mobilization	97,802	-	425	97,377
Community Planning	69,553	75,000	67,679	76,874
Post-Secondary Education	204,566	612,339	689,642	127,263
Other - Capital	-	180,039	98,917	81,122
Water Treatment Plant	3,114,291	-	1,363,667	1,750,624
HR Succession Planning	75,000	-	68,000	7,000
Block FN School Formula	857,844	1,740,419	955,652	1,642,611
FN School Emergencies	46,901	32,845	46,901	32,845
COVID-19 School Reopening	18,123	-	18,123	-
Post-Secondary COVID-19	111,017	241,013	111,017	241,013
Skills Link	35,036	162,338	58,932	138,442
CEAP Housing	5,211	-	5,211	-
Planning Design and Construction	83,520	-	83,520	-
Construction	150,335	-	150,335	-
Community Based Initiative	97,296	155,938	129,518	123,716
COVID-19 ICSF3 - EMAP	34,214	-	34,214	-
Planning & Response (COVID-19)	13,000	91,349	-	104,349
Response	242,802	-	208,006	34,796
IMM PLNG & RPTG (COVID-19)	5,760	-	5,760	-
Emerging Technologies (COVID-19)	4,525	-	4,525	-
FN School Formula	-	215,686	-	215,686
COVID-19 Safe Re ELE/SEC	-	142,245	-	142,245
COVID-19 LEDSP	-	84,566	-	84,566
COVID-19 OSR COM SERV FN	-	329,423	49,759	279,664
MJR Renos, Extensns&Repair	-	96,000	23,250	72,750
Carried forward	<u>\$ 5,266,796</u>	<u>\$ 4,370,184</u>	<u>\$ 4,173,053</u>	<u>\$ 5,463,927</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2022

7. Deferred Revenue (continued)

	Balance March 31, 2021	Funding Received 2022	Funding Recognized 2022	Balance March 31, 2022
Brought forward	\$ 5,266,796	\$ 4,370,184	\$ 4,173,053	\$ 5,463,927
Health Canada				
Pub Health NS & Chrs	-	59,286	2,082	57,204
JP-Education	-	5,320	4,623	697
Ontario Child & Youth	15,550	40,587	36,697	19,440
Aboriginal Diabetes	31,120	17,601	-	48,721
Federal Tobacco Control Strategy	5,211	4,246	9,457	-
CDCM - Pub Health NS & Chrs	1,952	6,586	1,952	6,586
Mental Wellness Program	94,689	324,368	332,823	86,234
Community Facilities O&M	38,321	87,288	45,976	79,633
Rapid Housing Initiative	-	1,982,549	1,344,522	638,027
GCT#3 Diabetes Program Enhancement	25,000	22,000	35,495	11,505
GCT#3 Student Mental Health	50,661	-	50,661	-
GCT#3 Resource Revenue Sharing	262,054	495,790	757,844	-
GCT#3 Abinoojii Inakonigewin	49,437	110,141	873	158,705
Weechi-It-Te-Win COVID-19 Pandemic	10,000	-	10,000	-
Weechi-It-Te-Win Devolution	91,031	445,444	359,293	177,182
Weechi-It-Te-Win Land Based Cultural	10,000	-	10,000	-
Weechi-It-Te-Win One-Time Mental Health	9,000	-	9,000	-
IHWS Community Wellness Worker	62,664	79,641	142,305	-
Shooniyaa Wa-Biitong	37,525	152,664	63,878	126,311
IESO Education Capacity Building	25,253	25,174	50,427	-
	<u>\$ 6,086,264</u>	<u>\$ 8,228,869</u>	<u>\$ 7,440,961</u>	<u>\$ 6,874,172</u>

Indigenous Services Canada

Indigenous Services Canada advances the First Nation funding for various 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 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 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.

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2022

7. Deferred Revenue (continued)

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 funding in relation to child protection, family counselling and prevention. This funding must be spent on eligible expenses within these projects.

CMHC

CMHC advances the First Nation funding for the Rapid Housing Initiative. This funding must be spent on eligible expenses to build additional housing.

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

	2022	2021
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.	\$ 47,702	\$ 103,831
CMHC loan - interest rate at 0.96%, repayable \$3,109 monthly, secured by a general security agreement, renewal date March 2026.	466,831	499,497
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.	408,595	439,038
CMHC loan - interest rate at 0.96%, repayable \$3,305 monthly, secured by a general security agreement, renewal date March 2026.	472,941	507,891
Carried forward	<u>\$ 1,396,069</u>	<u>\$ 1,550,257</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2022

8. Long-term Debt (continued)

	2022	2021
Brought forward	\$ 1,396,069	\$ 1,550,257
CMHC loan - interest rate at 1.12%, repayable \$4,082 monthly, secured by a general security agreement, renewal date October 2026.	638,004	681,006
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.	248,745	271,688
CIBC loan - interest at prime rate plus 1.5%, requiring monthly payments of \$1,310 plus interest, secured by automotive equipment, maturing September 2023.	22,230	37,950
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	228,873
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.	2,237,742	2,107,592
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	227,767
	<u>\$ 4,999,430</u>	<u>\$ 5,105,133</u>

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

Year	Amount
2023	\$ 467,071
2024	621,986
2025	1,582,807
2026	494,948
2027	438,993
Thereafter	1,393,625
	<u>\$ 4,999,430</u>

Big Grassy River First Nation
Notes to Consolidated Financial Statements

March 31, 2022

9. Government Business Enterprises, at modified equity

Mishkosiminiziibiing Development Corporation

Mishkosiminiziibiing 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.

	MDC	Big Grassy LP
Percentage ownership	100%	99.9%
Carrying value, March 31, 2020	\$ 257,792	\$ 242,478
Share of net income (loss)	(171,743)	169,852
Carrying value, March 31, 2021	86,049	412,330
Share of net income (loss)	(15,690)	945,803
Distributions		(99,107)
Carrying value, March 31, 2022	\$ 70,359	\$ 1,259,026

Big Grassy River First Nation
Notes to Consolidated Financial Statements

March 31, 2022

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

	MDC		Big Grassy LP	
	2022	2021	2022	2021
Financial position				
Current assets	\$ 15,822	\$ 42,407	\$ 1,858,811	\$ 400,170
Long-term assets	70,638	84,050	171,466	93,605
	<u>\$ 86,460</u>	<u>\$ 126,457</u>	<u>\$ 2,030,277</u>	<u>\$ 493,775</u>
Current liabilities	\$ 16,101	\$ 29,272	\$ 722,082	\$ 81,445
Long-term liabilities	-	11,136	49,169	-
	<u>16,101</u>	<u>40,408</u>	<u>771,251</u>	<u>81,445</u>
Share capital	1,000	1,000	9,990	9,990
Net equity, end of year	<u>69,359</u>	<u>85,049</u>	<u>1,249,036</u>	<u>402,340</u>
	<u>70,359</u>	<u>86,049</u>	<u>1,259,026</u>	<u>412,330</u>
	<u>\$ 86,460</u>	<u>\$ 126,457</u>	<u>\$ 2,030,277</u>	<u>\$ 493,775</u>
	2022	2021	2022	2021
Results of operations				
Revenues	\$ -	\$ 30,901	\$ 4,396,055	\$ 811,553
Operating expenses	15,690	202,644	3,450,252	641,701
Net income (loss)	(15,690)	(171,743)	945,803	169,852
Distributions	-	-	(99,107)	-
Net equity, beginning of year	<u>85,049</u>	<u>256,792</u>	<u>402,340</u>	<u>232,488</u>
Net equity, end of year	<u>\$ 69,359</u>	<u>\$ 85,049</u>	<u>\$ 1,249,036</u>	<u>\$ 402,340</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2022

10. Defined Contribution Pension Plan

The expense for the First Nation pension plan for the year was \$29,802 (2021 - \$38,627). The plan is funded by the First Nation employees at the rate of 5.5% 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:

	2022	2021
Operating funds	\$ 1,311,231	\$ 1,014,997
Investment in capital assets	19,999,484	16,853,120
Investment in INAC trust funds	131,518	130,342
Equity in enterprises	1,318,395	123,594
Replacement reserve	433,974	424,661
	\$23,194,602	\$ 18,546,714

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 \$433,974 (2021 - \$424,661).

For the year ended March 31						2022	2021
	6-Unit Housing	7-Unit Housing	10-Unit Housing	6-Plex Housing	9-Unit Housing	Total	Total
Balance, beginning of year	\$ 76,080	\$110,680	\$ 98,364	\$ 80,213	\$ 59,324	\$ 424,661	\$ 345,231
Allocation for the year	7,200	12,075	8,500	8,400	5,587	41,762	79,430
Expenditures	-	-	-	-	(32,449)	(32,449)	-
Balance, end of year	\$ 83,280	\$122,755	\$106,864	\$ 88,613	\$ 32,462	\$ 433,974	\$ 424,661

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2022

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, 2021	Additions 2022	Withdrawals 2022	Balance March 31, 2022
Held by Federal Government				
Capital	\$ 60,176	\$ -	\$ -	\$ 60,176
Revenue	70,166	1,176	-	71,342
	<u>\$ 130,342</u>	<u>\$ 1,176</u>	<u>\$ -</u>	<u>\$ 131,518</u>

14. Indigenous Services Canada Funding Reconciliation

	2022	2021
ISC revenue per funding confirmation	\$ 6,557,711	\$ 8,280,272
Deferred revenue, beginning of year	5,266,793	4,639,629
Deferred revenue, end of year	<u>(5,463,927)</u>	<u>(5,266,793)</u>
ISC revenue per the consolidated financial statements	<u>\$ 6,360,577</u>	<u>\$ 7,653,108</u>
	2022	2021
HC revenue per funding confirmation	\$ 732,492	\$ 617,538
Deferred revenue, beginning of year	186,843	75,429
Deferred revenue, end of year	<u>(298,516)</u>	<u>(186,843)</u>
HC revenue per the consolidated financial statements	<u>\$ 620,819</u>	<u>\$ 506,124</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2022

15. Government Transfers

	Operating	Capital	2022 Total	Operating	Capital	2021 Total
Federal						
ISC	\$ 4,329,144	\$ 2,031,433	\$ 6,360,577	\$ 3,320,094	\$ 4,333,014	\$ 7,653,108
Health Canada	565,906	54,913	620,819	444,214	-	444,214
CMHC	227,635	-	227,635	314,522	-	314,522
Sub-total	5,122,685	2,086,346	7,209,031	4,078,830	4,333,014	8,411,844
Provincial	1,201,182	-	1,201,182	1,100,296	-	1,100,296
Total	\$ 6,323,867	\$ 2,086,346	\$ 8,410,213	\$ 5,179,126	\$ 4,333,014	\$ 9,512,140

16. Portfolio Investments

Investments consist of the following:

	2022	2021
398,879 Common shares of New Gold	\$ 2,052,630	\$ 2,052,630
Allowance for investment value	(1,095,321)	(720,375)
	957,309	1,332,255
Bank note due November 2024	-	500,000
Bank note due November 2026	-	500,000
Bank note due January 2029	300,000	-
Bank note due March 2029	150,000	-
Bank note due March 2027	150,000	-
Bank note due November 2028	610,000	-
	<u>\$ 2,167,309</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, 2022, are \$905,455 (2021 - \$773,825) and the fair market value of the bank notes at March 31, 2022, are \$284,289, \$148,605, \$146,783 and \$646,960 (2021 - \$502,265 and \$297,670).

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2022

17. Expenditure by Object

	2022	2021
Salaries, wages and honoraria	\$ 4,100,023	\$ 4,080,764
Office, equipment, supplies and program expenses	2,592,716	2,025,070
Professional services	604,432	950,681
Utilities, fuel and maintenance	719,227	603,802
Travel, training and meetings	1,138,081	931,378
Amortization	1,081,290	865,208
Other expenses	1,163,904	11,036,226
	<u>\$ 11,399,673</u>	<u>\$ 20,493,129</u>

18. Contingencies

The Organization was named in five separate lawsuits, three of which are unresolved as of the date of the audit report. Management has accrued a maximum liability of \$77,000 (2021 - \$122,000) in the consolidated financial statements related to two of the claims. The outcome of the other three claims is unknown and therefore, no provision for these claims have 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, 2022

19. Segmented Financial Information (continued)

	Band Administration	Commercial and Other	Education	Health and Social Services	Housing	2022
Revenue						
Government transfers	\$ 2,448,801	\$ -	\$ 2,661,669	\$ 2,323,458	\$ 1,556,329	\$ 8,990,257
Commercial activity	-	1,092,322	-	-	-	1,092,322
Other income	3,058,075	751,800	495,922	1,386,118	273,067	5,964,982
	<u>5,506,876</u>	<u>1,844,122</u>	<u>3,157,591</u>	<u>3,709,576</u>	<u>1,829,396</u>	<u>16,047,561</u>
Expenses						
Amortization	554,681	-	166,647	36,014	323,948	1,081,290
Other expenses	557,392	62,163	93,771	370,243	80,335	1,163,904
Office, equipment, supplies and program expenses	297,896	510,408	1,156,340	535,912	92,160	2,592,716
Professional	402,269	-	50,795	54,295	97,073	604,432
Travel, training and meetings	90,197	4,978	43,709	994,608	4,589	1,138,081
Utilities, fuel and maintenance	187,203	20,866	155,347	250,676	105,135	719,227
Salaries, benefits and honoraria	983,475	162,879	1,492,570	1,400,399	60,700	4,100,023
	<u>3,073,113</u>	<u>761,294</u>	<u>3,159,179</u>	<u>3,642,147</u>	<u>763,940</u>	<u>11,399,673</u>
Excess of revenue over expenses for the year	<u>\$ 2,433,763</u>	<u>\$ 1,082,828</u>	<u>\$ (1,588)</u>	<u>\$ 67,429</u>	<u>\$ 1,065,456</u>	<u>\$ 4,647,888</u>

Big Grassy River First Nation
Notes to Consolidated Financial Statements

March 31, 2022

19. Segmented Financial Information (continued)

	Band Administration	Commercial and Other	Education	Health and Social Services	Housing	2021
Revenue						
Government transfers	\$ 3,579,753	\$ -	\$ 2,537,492	\$ 1,723,572	\$ 275,443	\$ 8,116,260
Commercial activity	-	118,485	-	-	-	118,485
Other income	3,334,824	1,976,179	70,495	1,399,996	39,079	6,820,573
	<u>6,914,577</u>	<u>2,094,664</u>	<u>2,607,987</u>	<u>3,123,568</u>	<u>314,522</u>	<u>15,055,318</u>
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 Services	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
Salaries, benefits and honoraria	1,138,156	156,529	1,365,103	1,385,112	35,864	4,080,764
	<u>4,248,720</u>	<u>9,818,871</u>	<u>2,711,195</u>	<u>3,010,144</u>	<u>704,199</u>	<u>20,493,129</u>
Excess (deficiency) of revenue over expenses for the year	<u>\$ 2,665,857</u>	<u>\$ (7,724,207)</u>	<u>\$ (103,208)</u>	<u>\$ 113,424</u>	<u>\$ (389,677)</u>	<u>\$ (5,437,811)</u>