

Big Grassy River First Nation
Consolidated Financial Statements
For the year ended March 31, 2023

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For the year ended March 31, 2023

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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.


_____ Chief


_____ Councilor


_____ Councilor



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Independent Auditor's Report

To Chief and Council of Big Grassy River First Nation

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, 2023, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 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



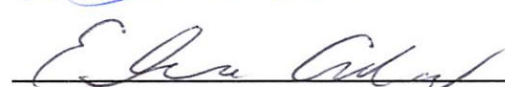
Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
October 7, 2024

Big Grassy River First Nation Consolidated Statement of Financial Position

March 31	2023	2022
Financial assets		
Cash and cash equivalents (Note 3)	\$ 10,895,953	\$ 9,077,077
Short-term investment (Note 4)	9,103,805	-
Accounts and loans receivable (Note 5)	2,326,329	2,022,954
Portfolio investments (Note 19)	6,605,556	2,167,309
Investments held in trust (Note 15)	134,832	131,518
Government business enterprises (Note 11)	1,776,997	1,329,385
Total financial assets	30,843,472	14,728,243
Liabilities		
Accounts payable and accrued liabilities (Note 8)	2,851,097	1,985,755
Deferred revenue (Note 9)	7,748,341	6,874,172
Long-term debt (Note 10)	4,578,329	4,999,430
Due to related parties	27,803	24,649
Total liabilities	15,205,570	13,884,006
Net financial assets	15,637,902	844,237
Non-financial assets		
Prepaid expenses	228,860	45,833
Tangible capital assets (Note 6)	25,561,693	20,644,677
Tangible capital assets under construction (Note 6)	378,089	1,659,855
	26,168,642	22,350,365
Accumulated surplus	41,806,544	23,194,602
Accumulated surplus is comprised of:		
Accumulated operating surplus (Note 14)	42,033,877	23,194,602
Accumulated remeasurement losses	(227,333)	-
	\$ 41,806,544	\$ 23,194,602

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	2023	2022
	(Note 13)		
Revenue			
Indigenous Services Canada (Note 16)	\$ 8,916,531	\$ 7,270,951	\$ 6,360,577
Ministry of Community and Social Services	376,101	1,254,951	1,225,784
Health Canada (Note 16)	1,040,818	862,966	620,819
Weechi-It-Te-Win Family Services	586,207	800,954	650,010
Ontario First Nations Limited Partnership	734,075	618,414	437,276
Canada Mortgage and Housing Corporation	-	223,761	227,635
Rentals	-	5,000	-
Ministry of Health	92,016	98,694	84,349
Shooniyaa Wa-Biitong	6,839	319,777	63,878
Grand Council Treaty #3	-	1,269,600	898,825
Miscellaneous grants	5,301,860	1,177,311	2,262,102
Other (Note 17)	2,102,765	25,663,240	3,216,306
	<u>19,157,212</u>	<u>39,565,619</u>	<u>16,047,561</u>
Expenses			
Band support	1,878,058	4,344,324	3,073,113
Commercial and other	2,515	7,543,517	761,294
Education	3,263,605	3,776,631	3,159,179
Health and Social Services	1,602,437	4,117,857	3,642,147
Housing	20,000	944,015	763,940
	<u>6,766,615</u>	<u>20,726,344</u>	<u>11,399,673</u>
Annual surplus for the year	<u>\$ 12,390,597</u>	18,839,275	4,647,888
Accumulated surplus, beginning of year		<u>23,194,602</u>	18,546,714
Accumulated surplus, end of year (Note 14)		<u>\$ 42,033,877</u>	<u>\$ 23,194,602</u>

Big Grassy River First Nation Consolidated Statement of Remeasurement Losses

For the year ended March 31	2023	2022
Accumulated remeasurement losses, beginning of year	\$ -	\$ -
Unrealized losses attributable to:		
Portfolio investments	(227,333)	-
Amounts reclassified to the consolidated statement of operations:		
Portfolio investments	-	-
Accumulated remeasurement losses, end of year	\$ (227,333)	\$ -

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

For the year ended March 31	2023	2022
Annual surplus for the year	\$ 18,839,275	\$ 4,647,888
Proceeds on disposal of capital assets	-	18,677
Gain on disposal of capital assets	-	(10,108)
Acquisition of capital assets	(4,916,528)	(3,982,139)
Amortization of capital assets	1,281,278	1,081,290
Net change in prepaid expenses	(183,027)	8,113
Net change in net financial assets excluding net remeasurement losses	15,020,998	1,763,721
Net remeasurement losses		
Portfolio investments	(227,333)	-
Net change in net financial assets including net remeasurement losses	14,793,665	1,763,721
Net financial assets (debt), beginning of year	844,237	(919,484)
Net financial assets, end of year	\$ 15,637,902	\$ 844,237

Big Grassy River First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2023	2022
Operating transactions		
Annual surplus	\$ 18,839,275	\$ 4,647,888
Remeasurement loss	(227,333)	-
Adjustments for		
Amortization of capital assets	1,281,278	1,081,290
Gain on disposal of capital assets	-	(10,108)
Net loss (income) from commercial enterprises	(593,252)	(930,113)
	<u>19,299,968</u>	<u>4,788,957</u>
Changes in non-cash working capital balances		
Investments held in trust	(3,314)	(1,176)
Accounts receivable	(303,375)	(645,473)
Prepaid expenditures	(183,027)	8,113
Accounts payable	865,342	(679,599)
Related party balances	3,153	(3,314)
Deferred revenue	874,170	787,909
Investments	(4,438,247)	164,946
	<u>16,114,670</u>	<u>4,420,363</u>
Capital transactions		
Net change in long-term debt	(421,101)	(105,703)
Acquisition of capital assets	(4,916,528)	(3,982,139)
Proceeds on disposal of capital assets	-	18,677
	<u>(5,337,629)</u>	<u>(4,069,165)</u>
Investing Activities		
Contributions from subsidiaries	145,640	99,107
Purchase of investments	(9,103,805)	-
Increase in cash and cash equivalents	<u>1,818,876</u>	<u>450,305</u>
Cash and cash equivalents, beginning of year	<u>9,077,077</u>	<u>8,626,772</u>
Cash and cash equivalents, end of year	<u>\$ 10,895,953</u>	<u>\$ 9,077,077</u>
Represented by		
Cash and cash equivalents	<u>\$ 10,895,953</u>	<u>\$ 9,077,077</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2023

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 17.

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, 2023

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

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2023

1. Summary of Significant Accounting Policies (continued)

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

Cash and equity instruments quoted in an active market are measured at fair value. Accounts and loans receivable, advances to affiliated companies, accounts payable and accrued liabilities, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

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, 2023

1. Summary of Significant Accounting Policies (continued)

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.
Use of Estimates	<p>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.</p> <p>The estimates used in the preparation of these consolidated financial statements are the useful lives of tangible capital assets and accrued liabilities.</p>

2. Change in Estimate

During the fiscal year, the First Nation revised its estimate for accounts payable. This change has been applied prospectively as a change in accounting estimate. The revised estimate resulted in a decrease to accounts payable by \$1,085,146, with a corresponding decrease to capital assets by \$228,869, a decrease to expenses by \$100,754 and an increase to miscellaneous revenue by \$755,523. The change in estimate was based on new information provided by Management, reflecting updated expected costs to settle obligations.

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2023

3. 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:

	2023	2022
Internally restricted Reserves	\$ 474,339	\$ 433,974
Unrestricted Operating	10,421,614	8,643,103
Total cash and cash equivalents	\$ 10,895,953	\$ 9,077,077

4. Short-Term Investment

	2023	2022
Guaranteed investment certificate, interest rates at 5.40%	5,061,219	-
Guaranteed investment certificates, interest rates at 4.85%	4,042,586	-
	\$ 9,103,805	\$ -

5. Accounts and Loans Receivable

	2023	2022
Band member advances	\$ 356,180	\$ 355,263
Accounts receivable - General	2,292,785	2,019,063
Accounts receivable - Onigaming	269,908	240,255
Net advances to Mishkosiminiziibiing Development Corporation	3,891	3,891
	2,922,764	2,618,472
Allowance for doubtful accounts	596,435	595,518
	\$ 2,326,329	\$ 2,022,954

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

March 31, 2023

6. Tangible Capital Assets

	Cost			Accumulated Amortization				2023		2022	
	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	\$ 2,716,563	\$ 130,595	\$ -	\$ 2,847,158	\$ 2,376,649	\$ 2,507,244	
Housing	15,317,814	3,779,692	-	19,097,506	7,246,724	382,945	-	7,629,669	11,467,837	8,071,090	
Water project	4,297,309	-	-	4,297,309	2,793,253	107,433	-	2,900,686	1,396,623	1,504,056	
Water treatment plant	6,288,187	904,202	-	7,192,389	157,205	185,531	-	342,736	6,849,653	6,130,982	
Medical building	728,292	-	-	728,292	436,971	18,207	-	455,178	273,114	291,321	
Roundhouse	227,626	-	-	227,626	96,746	5,691	-	102,437	125,189	130,880	
Fire hall	335,027	-	-	335,027	96,955	8,376	-	105,331	229,696	238,072	
Other buildings	1,375,231	183,674	-	1,558,905	944,163	59,554	-	1,003,717	555,188	431,068	
Roads	401,936	917,940	-	1,319,876	401,936	-	-	401,936	917,940	-	
Computer equipment	111,612	-	-	111,612	109,811	540	-	110,351	1,261	1,801	
Furniture and equipment	479,341	-	-	479,341	400,197	15,829	-	416,026	63,315	79,144	
Vehicles	1,977,810	412,786	-	2,390,596	1,007,839	358,318	-	1,366,157	1,024,439	969,971	
Pow wow grounds	330,343	-	-	330,343	41,295	8,259	-	49,554	280,789	289,048	
	\$ 37,094,335	\$ 6,198,294	\$ -	\$ 43,292,629	\$ 16,449,658	\$ 1,281,278	\$ -	\$ 17,730,936	\$ 25,561,693	\$ 20,644,677	

The net book value of the tangible assets not being amortized because they are under construction is \$378,089 (2022 - \$1,659,855). 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, 2023

7. 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.

8. Accounts Payable and Accrued Liabilities

	2023	2022
Accounts payable - general	\$ 2,829,097	\$ 1,643,196
Infrastructure payable	-	265,559
Accrued legal settlement obligation (Note 18)	22,000	77,000
	<u>\$ 2,851,097</u>	<u>\$ 1,985,755</u>

9. Deferred Revenue

	Balance March 31, 2022	Funding Received 2023	Funding Recognized 2023	Balance March 31, 2023
ISC				
ICSF - DIR ALL EMAP	\$ 210,984	\$ 105,492	\$ 82,860	\$ 233,616
Youth mobilization	97,377	-	9,491	87,886
Community Planning	76,874	-	73,478	3,396
Post-Secondary Education	127,263	619,577	374,196	372,644
Other - Capital	81,122	182,167	186,213	77,076
Water Treatment Plant	1,750,624	-	1,317,110	433,514
HR Succession Planning	7,000	-	7,000	-
Block FN School Formula	1,642,611	1,850,078	1,595,224	1,897,465
FN School Emergencies	32,845	-	32,845	-
P&P School Formula	-	662,795	486,760	176,035
Post-Secondary COVID-19	241,013	238,560	479,573	-
Skills Link	138,442	169,026	50,019	257,449
IM/IT Gov Cap Dev	-	67,500	-	67,500
Basic Admin Gov Cap Dev	-	75,000	-	75,000
Cultural Spaces	-	1,775,000	7,250	1,767,750
Community Based Initiative	123,716	61,719	100,877	84,558
Projects & Capacity	-	109,628	7,906	101,722
Planning & Response (COVID-19)	104,349	2,000	18,402	87,947
Response	34,796	-	34,796	-
Other - Facilities O&M	-	302,042	236,915	65,127
Water & Sewer Facilities	-	270,432	172,631	97,801
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	279,664	-	116,315	163,349
MJR Renos,Extensns&Repair	72,750	-	-	72,750
Carried forward	<u>\$ 5,463,927</u>	<u>\$ 6,491,016</u>	<u>\$ 5,832,358</u>	<u>\$ 6,122,585</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2023

9. Deferred Revenue (continued)

	Balance March 31, 2022	Funding Received 2023	Funding Recognized 2023	Balance March 31, 2023
Brought forward	\$ 5,463,927	\$ 6,491,016	\$ 5,832,358	\$ 6,122,585
FN Representative Service	-	112,547	-	112,547
CFS Prevention	-	623,960	-	623,960
Cost Capacity - Building	-	163,000	40,296	122,704
LEDSP Block Core	-	51,238	-	51,238
Health Canada				
Pub Health NS & Chrs	57,204	61,065	56,097	62,172
JP-Education	697	156,948	157,645	-
Ontario Child & Youth	19,440	40,587	2,238	57,789
Aboriginal Diabetes	48,721	17,601	8,291	58,031
CDCM - Pub Health NS & Chrs	6,586	6,784	13,370	-
Mental Wellness Program	86,234	290,354	338,461	38,127
Community Facilities O&M	79,633	89,907	155,607	13,933
Rapid Housing Initiative	638,027	-	638,027	-
GCT#3 Diabetes Program Enhancement	11,505	28,571	26,620	13,456
GCT#3 Abinoojii Inakonigewin	158,705	-	158,705	-
Weechi-It-Te-Win Devolution	177,182	445,444	331,838	290,788
Department of Natural Resources	-	105,506	89,554	15,952
Infrastructure Canada	-	154,682	27,756	126,926
Shooniyaa Wa-Biitong	126,311	-	88,178	38,133
	<u>\$ 6,874,172</u>	<u>\$ 8,839,210</u>	<u>\$ 7,965,041</u>	<u>\$ 7,748,341</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.

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.

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2023

9. Deferred Revenue (continued)

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.

Department of Natural Resources

The Department of Natural Resources advances the First Nation funding for the Smart Renewables and Electrification Pathways. This funding must be spent on eligible expenses within this program.

Infrastructure Canada

Infrastructure Canada advances the First Nation funding for the School Retrofit Project. This funding must be spent on eligible expenses within this program.

10. Long-term Debt

	<u>2023</u>	<u>2022</u>
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, settlement date January 2023.	\$ -	\$ 47,702
CMHC loan - interest rate at 0.96%, repayable \$3,109 monthly, secured by a general security agreement, renewal date March 2026.	433,850	466,831
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.	377,325	408,595
CMHC loan - interest rate at 0.96%, repayable \$3,305 monthly, secured by a general security agreement, renewal date March 2026.	437,655	472,941
Carried forward	<u>\$ 1,248,830</u>	<u>\$ 1,396,069</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2023

10. Long-term Debt (continued)

	<u>2023</u>	<u>2022</u>
Brought forward	\$ 1,248,830	\$ 1,396,069
CMHC loan - interest rate at 1.12%, repayable \$4,082 monthly, secured by a general security agreement, renewal date October 2026.	595,937	638,004
CMHC loan - interest rate at 3.70%, requiring monthly payments of \$2,448, secured by an assignment of fire insurance and a ministerial guarantee, renewal date December 2027.	226,598	248,745
CIBC loan - interest at prime rate plus 1.5%, requiring monthly payments of \$1,310 plus interest, secured by automotive equipment, maturing September 2023.	6,510	22,230
ISC Timber Claim, repayable in full from proceeds of claim, repayable on the earlier of March 31, 2027, or the date on which the claim is settled.	-	228,873
ISC Flood Claim, repayable in full from proceeds of claim, secured by a Promissory Note, repayable on the earlier of March 31, 2027, or the date on which the claim is settled.	2,237,742	2,237,742
Farming Land Specific Claim, repayable in full from proceeds of claim, repayable on the earlier of March 31, 2027, or the date on which the claim is settled.	<u>262,712</u>	<u>227,767</u>
	<u>\$ 4,578,329</u>	<u>\$ 4,999,430</u>

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

Year	Amount
2024	\$ 2,435,603
2025	366,348
2026	169,176
2027	207,014
2028	175,030
Thereafter	<u>1,225,158</u>
	<u>\$ 4,578,329</u>

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

March 31, 2023

11. 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
	100%	99.9%
Percentage ownership		
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
Share of net income (loss)	(39,843)	780,414
Distributions		(145,640)
Other adjustments		(147,319)
Carrying value, March 31, 2023	\$ 30,516	\$ 1,746,481

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2023

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

Financial position

Current assets
Long-term assets

Current liabilities
Long-term liabilities

Share capital
Net equity, end of year

Results of operations

Revenues
Operating expenses

Net income (loss)
Distributions
Other adjustments
Net equity, beginning of year

Net equity, end of year

	MDC		Big Grassy LP	
	2023	2022	2023	2022
\$	5,657 \$	15,822	\$ 2,388,372	\$ 1,858,811
	29,824	70,638	159,773	171,466
\$	35,481 \$	86,460	\$ 2,548,145	\$ 2,030,277
\$	4,965 \$	16,101	\$ 763,010	\$ 722,082
	-	-	38,654	49,169
	4,965	16,101	801,664	771,251
	1,000	1,000	9,990	9,990
	29,516	69,359	1,736,491	1,249,036
	30,516	70,359	1,746,481	1,259,026
\$	35,481 \$	86,460	\$ 2,548,145	\$ 2,030,277
	2023	2022	2023	2022
\$	425 \$	-	\$ 6,138,407	\$ 4,396,055
	40,268	15,690	5,357,993	3,450,252
	(39,843)	(15,690)	780,414	945,803
	-	-	(145,640)	(99,107)
	-	-	(147,319)	-
	69,359	85,049	1,249,036	402,340
\$	29,516 \$	69,359	\$ 1,736,491	\$ 1,249,036

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2023

12. Defined Contribution Pension Plan

The expense for the First Nation pension plan for the year was \$50,826 (2022 - \$29,802). The plan is funded by the First Nation employees at the rate of 5.5% of the employees' salary.

13. 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.

14. Accumulated Surplus

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

	2023	2022
Operating funds	\$15,567,923	\$ 1,311,231
Investment in capital assets	24,090,776	19,999,484
Investment in INAC trust funds	134,832	131,518
Equity in enterprises	1,766,007	1,318,395
Replacement reserve	474,339	433,974
	<u>\$42,033,877</u>	<u>\$ 23,194,602</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 \$474,339 (2022 - \$433,974).

For the year ended March 31						2023	2022
	6-Unit Housing	7-Unit Housing	10-Unit Housing	6-Plex Housing	9-Unit Housing	Total	Total
Balance, beginning of year	\$ 83,280	\$122,755	\$106,864	\$ 88,613	\$ 32,462	\$ 433,974	\$ 424,661
Allocation for the year	7,200	12,075	8,500	8,400	4,190	40,365	41,762
Expenditures	-	-	-	-	-	-	(32,449)
Balance, end of year	<u>\$ 90,480</u>	<u>\$134,830</u>	<u>\$115,364</u>	<u>\$ 97,013</u>	<u>\$ 36,652</u>	<u>\$ 474,339</u>	<u>\$ 433,974</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2023

15. 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, 2022	Additions 2023	Withdrawals 2023	Balance March 31, 2023
Held by Federal Government				
Capital	\$ 60,176	\$ -	\$ -	\$ 60,176
Revenue	71,342	3,314	-	74,656
	<u>\$ 131,518</u>	<u>\$ 3,314</u>	<u>\$ -</u>	<u>\$ 134,832</u>

16. Indigenous Services Canada Funding Reconciliation

	2023	2022
ISC revenue per funding confirmation	\$ 8,840,058	\$ 6,557,711
Deferred revenue, beginning of year	5,463,927	5,266,793
Deferred revenue, end of year	<u>(7,033,034)</u>	<u>(5,463,927)</u>
ISC revenue per the consolidated financial statements	<u>\$ 7,270,951</u>	<u>\$ 6,360,577</u>
	2023	2022
HC revenue per funding confirmation	\$ 794,502	\$ 732,492
Deferred revenue, beginning of year	298,516	186,843
Deferred revenue, end of year	<u>(230,052)</u>	<u>(298,516)</u>
HC revenue per the consolidated financial statements	<u>\$ 862,966</u>	<u>\$ 620,819</u>

17. Other Revenue

	2023	2022
Settlement	\$21,341,364	\$ -
Earnings from enterprises	593,252	930,113
Interest earned	348,018	-
Resource revenue	835,763	413,717
Miscellaneous	<u>2,544,843</u>	<u>1,872,476</u>
	<u>\$25,663,240</u>	<u>\$ 3,216,306</u>

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2023

18. Government Transfers

	Operating	Capital	2023 Total	Operating	Capital	2022 Total
Federal						
ISC	\$ 4,869,153	\$ 2,401,798	\$ 7,270,951	\$ 4,329,144	\$ 2,031,433	\$ 6,360,577
Health Canada	838,980	23,986	862,966	565,906	54,913	620,819
CMHC	223,761	-	223,761	227,635	-	227,635
Sub-total	5,931,894	2,425,784	8,357,678	5,122,685	2,086,346	7,209,031
Provincial	1,284,643	154,002	1,438,645	1,201,182	-	1,201,182
Total	\$ 7,216,537	\$ 2,579,786	\$ 9,796,323	\$ 6,323,867	\$ 2,086,346	\$ 8,410,213

19. Portfolio Investments

Investments consist of the following:

	2023	2022
398,879 Common shares of New Gold	\$ 586,352	\$ 2,052,630
Allowance for investment value	-	(1,095,321)
	586,352	957,309
TD marketable securities	5,038,340	-
Bank note due January 2029	214,380	300,000
Bank note due March 2029	104,145	150,000
Bank note due March 2027	114,205	150,000
Bank note due November 2028	548,134	610,000
	\$ 6,605,556	\$ 2,167,309

Portfolio investments are valued at fair market value. The fair market value of the common shares of New Gold at March 31, 2023, are \$586,352 (2022 - \$905,455) and the fair market value of the bank notes held at CIBC at March 31, 2023, are \$214,380, \$104,145, \$114,205 and \$548,134 (2022 - \$284,289, \$148,605, \$146,783 and \$646,960). The carrying value of the common shares of New Gold at March 31, 2023, are \$2,052,630 (2022 - \$2,052,630) and the carrying value of the bank notes held at CIBC at March 31, 2023, are \$300,000, \$150,000, \$150,000 and \$610,000 (2022 - \$300,000, \$150,000, \$150,000 and \$610,000). TD marketable securities carrying value as of March 31, 2023, are \$5,036,537 (2022 - \$NIL).

Big Grassy River First Nation Notes to Consolidated Financial Statements

March 31, 2023

20. Expenditure by Object

	2023	2022
Salaries, wages and honoraria	\$ 4,958,758	\$ 4,100,023
Office, equipment, supplies and program expenses	3,410,671	2,592,716
Professional services	989,456	604,432
Utilities, fuel and maintenance	817,866	719,227
Travel, training and meetings	1,539,827	1,138,081
Amortization	1,281,278	1,081,290
Other expenses	7,728,488	1,163,904
	\$20,726,344	\$ 11,399,673

21. Contingencies

The Organization was named in three separate lawsuits, three of which are unresolved as of the date of the audit report. Management has accrued a maximum liability of \$22,000 (2022 - \$77,000) in the consolidated financial statements related to one of the claims. The outcome of the other two 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.

22. 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, 2023

22. Segmented Financial Information (continued)

	Band		Commercial and Other		Education	Health and Social Services	Housing	2023
	Administration							
Revenue								
Government transfers	\$ 1,854,384	\$	29,485	\$	3,754,742	\$	2,471,269	\$ 8,932,588
Commercial activity	-		714,800		-		-	714,800
Other income	5,267,192		22,177,127		469,096		1,960,737	29,918,231
	7,121,576		22,921,412		4,223,838		4,432,006	39,565,619
Expenses								
Amortization	620,867		-		197,169		44,801	1,281,278
Other expenses	665,445		6,804,686		72,762		115,489	7,728,488
Office, equipment, supplies and program expenses	513,595		548,137		1,387,698		745,405	3,410,671
Professional services	726,148		-		91,040		78,155	989,456
Travel, training and meetings	411,611		4,222		79,964		1,043,451	1,539,827
Utilities, fuel and maintenance	242,859		27,058		190,204		301,173	817,866
Salaries, benefits and honoraria	1,163,799		159,414		1,757,794		1,789,383	4,958,758
	4,344,324		7,543,517		3,776,631		4,117,857	20,726,344
Excess of revenue over expenses for the year	\$ 2,777,252	\$	15,377,895	\$	447,207	\$	314,149	\$ 18,839,275

Big Grassy River First Nation
Notes to Consolidated Financial Statements

March 31, 2023

22. 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
	5,506,876	1,844,122	3,157,591	3,709,576	1,829,396	16,047,561
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 services	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
	3,073,113	761,294	3,159,179	3,642,147	763,940	11,399,673
Excess (deficiency) of revenue over expenses for the year	\$ 2,433,763	\$ 1,082,828	\$ (1,588)	\$ 67,429	\$ 1,065,456	\$ 4,647,888