

Grassy Narrows First Nation
Consolidated Financial Statements
March 31, 2018

Grassy Narrows First Nation

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For the year ended March 31, 2018

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Management's Responsibility

To the Members and Chief and Council of Grassy Narrows First Nation:

The accompanying consolidated financial statements of Grassy Narrows First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Grassy Narrows First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP, is appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

December 24, 2018



Finance Manager

Independent Auditors' Report



To the Members and Chief and Council of Grassy Narrows First Nation:

We have audited the accompanying consolidated financial statements of Grassy Narrows First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Grassy Narrows First Nation as at March 31, 2018 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kenora, Ontario

December 24, 2018

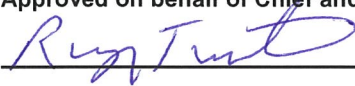


Chartered Professional Accountants

Licensed Public Accountants

Grassy Narrows First Nation

Consolidated Statement of Financial Position

As at March 31, 2018

	2018	2017
Financial assets		
Current		
Cash and cash equivalents (Note 3)	1,878,592	660,262
Temporary investments (Note 4)	800,000	1,198,000
Accounts receivable (Note 5)	2,005,522	1,757,909
	4,684,114	3,616,171
Advances to Other Parties (Note 6)	345,760	345,760
Funds Held in Ottawa Trust Fund (Note 7)	15,083	14,769
Investments in First Nation Partnerships (Note 8)	104	4,099
Total financial assets	5,045,061	3,980,799
Liabilities		
Current		
Accounts payable and accruals (Note 9)	1,559,613	858,246
Deferred revenue (Note 10)	217,575	1,258,058
	1,777,188	2,116,304
Term loans due on demand (Note 11)	31,396	41,886
	1,808,584	2,158,190
Long-term debt (Note 12)	4,202,959	4,903,152
Total liabilities	6,011,543	7,061,342
Net debt	(966,482)	(3,080,543)
Contingencies (Note 18)		
Non-financial assets		
Tangible capital assets (Schedule 1)	22,074,335	21,328,502
Prepaid expenses	135,101	258,243
Total non-financial assets	22,209,436	21,586,745
Accumulated surplus	21,242,954	18,506,202
Approved on behalf of Chief and Council		
	Chief	 Councillor
_____	Councillor	 Councillor
_____	Councillor	

The accompanying notes are an integral part of these financial statements

Grassy Narrows First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue				
Indigenous and Northern Affairs Canada (Note 15), (Note 17)		5,426,961	6,103,825	6,386,654
First Nations and Inuit Health (Note 17)		2,621,983	2,721,551	1,499,101
Canada Mortgage and Housing Corporation (Note 17)		422,600	525,000	319,346
Employment and Social Development Canada (Note 17)		110,143	110,143	88,772
Canadian Environmental Assessment Agency (Note 17)		-	-	5,000
Ministry of Community and Social Services (Note 17)		1,871,718	1,889,021	1,971,427
Ontario First Nations Limited Partnership		932,291	932,291	925,190
Ministry of the Environment and Climate Change (Note 17)		596,380	596,380	330,000
Ministry of Education (Note 17)		603,073	593,390	630,345
Ministry of Indigenous Relations and Reconciliation (Note 17)		429,200	519,200	831,655
Kenora Chiefs Advisory Inc.		405,480	442,198	357,445
Administration fees		115,000	329,139	177,535
Shooniyaa Wa-Biitong		290,969	265,746	312,660
Miscellaneous		139,897	175,907	277,764
Ministry of Health and Long-Term Care (Note 17)		148,270	157,634	127,442
Grand Council Treaty #3		8,000	102,679	141,904
Rental income		12,900	100,921	106,429
HST rebates		43,953	67,464	49,545
Ministry of Tourism, Culture and Sport (Note 17)		48,000	49,284	48,000
Ministry of Agriculture, Food and Rural Affairs (Note 17)		-	46,006	-
Bimose Tribal Council		-	36,396	44,393
Ministry of the Solicitor General (Note 17)		38,124	38,124	38,124
Independent Electricity System Operator		-	-	26,931
Grassy Narrows Trust		-	-	12,000
Ministry of Natural Resources (Note 17)		-	-	5,181
Other revenue		-	-	3,500
Interest income		-	9,670	269
Donations and fundraising		-	5,696	-
Repayment of funding		-	(13,674)	(5,509)
Deferred revenue - prior year (Note 10)		-	1,258,058	4,459
Deferred revenue - current year (Note 10)		-	(217,575)	(1,258,058)
		14,264,942	16,844,474	13,457,504
Expenses				
Administration	4	717,031	741,081	983,292
Economic and Social Development	5	383,580	330,857	475,625
Operations and Maintenance	6	1,166,589	1,233,572	1,047,541
Social Services	7	3,325,447	3,251,742	3,401,969
Health	8	4,252,315	4,110,335	2,659,692
Ontario First Nations Limited Partnership	9	645,000	407,476	393,182
Capital Fund	10	224,009	874,602	976,425
Grassy Narrows Education Authority	11	2,752,263	2,987,578	3,056,344
Grassy Narrows Housing Authority	12	-	170,479	163,680
Total Expenses (Schedule 2)		13,466,234	14,107,722	13,157,750
Surplus (deficit)		798,708	2,736,752	299,754

Continued on next page

Grassy Narrows First Nation
Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Surplus (deficit) <i>(Continued from previous page)</i>	798,708	2,736,752	299,754
Accumulated surplus, beginning of year	18,506,202	18,506,202	18,206,448
Accumulated surplus, end of year	19,304,910	21,242,954	18,506,202

The accompanying notes are an integral part of these financial statements

Grassy Narrows First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Surplus (deficit)	798,708	2,736,752	299,754
Purchases of tangible capital assets	-	(1,559,539)	(480,380)
Increase in construction in progress	-	(407,802)	(509,085)
Amortization of tangible capital assets	-	1,221,508	1,010,601
	-	(745,833)	21,136
Acquisition of prepaid expenses	-	(135,101)	(258,243)
Use of prepaid expenses	-	258,243	82,197
	-	123,142	(176,046)
(Increase) decrease in net debt	798,708	2,114,061	144,844
Net debt, beginning of year	(3,080,543)	(3,080,543)	(3,225,387)
Net debt, end of year	(2,281,835)	(966,482)	(3,080,543)

The accompanying notes are an integral part of these financial statements

Grassy Narrows First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	2,736,752	299,754
Non-cash items		
Amortization	1,221,508	1,010,601
	3,958,260	1,310,355
Changes in working capital accounts		
Accounts receivable	(247,613)	(1,021,068)
Prepaid expenses	123,142	(176,046)
Accounts payable and accruals	701,367	217,861
Deferred revenue	(1,040,483)	1,253,599
	3,494,673	1,584,701
Financing activities		
Advances of long-term debt	40,000	6,500,672
Repayment of long-term debt	(750,681)	(5,478,101)
Funds held in Ottawa Trust Fund	(313)	(268)
	(710,994)	1,022,303
Capital activities		
Purchases of tangible capital assets	(1,559,539)	(480,380)
Increase in construction in progress	(407,805)	(509,085)
	(1,967,344)	(989,465)
Investing activities		
Advances from Keewache-Ete-Min	-	(122)
Investments in Nation partnerships	3,995	(4,099)
(Increase) decrease in short-term investments	398,000	(1,198,000)
	401,995	(1,202,221)
Increase in cash equivalents	1,218,330	415,318
Cash and cash equivalents, beginning of year	660,262	244,944
Cash and cash equivalents, end of year	1,878,592	660,262

The accompanying notes are an integral part of these financial statements

Grassy Narrows First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

1. Operations

The Grassy Narrows First Nation (the "First Nation") is located in the Province of Ontario, and provides various services to its members. Grassy Narrows First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity

The First Nation reporting entity includes the First Nation government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation. The Grassy Narrows Trust administered by the First Nation is excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Grassy Narrows First Nation
- Grassy Narrows Education Authority
- Grassy Narrows Housing Authority

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Basis of presentation

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

Cash and cash equivalents

Cash includes balances with banks and short-term investments with maturities of three months or less.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation capital assets, and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Temporary investments

The First Nation's temporary investments consist of GIC's from entities that are not owned, controlled or influenced by the First Nation reporting entity and are accounted for at cost, less any provision for other than temporary impairment.

Grassy Narrows First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

2. Significant accounting policies *(Continued from previous page)*

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records for infrastructure, community buildings, automotive, land improvements, band housing, roads, CMHC housing, and computer systems. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives.

	Rate
Infrastructure	35 years
Community buildings	40 years
Automotive	5 years
Land improvements	30 years
Band housing	30 years
Roads	40 years
CMHC housing	30 years
Computer systems	4 years
GNEA buildings and improvements	40 years

Capital projects with a carrying value of \$1,449,130 (2017 - \$5,586,105) are currently under construction. As such, none of these assets were available for use at March 31, 2018 and no amortization was recorded for the year.

Long-lived assets

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in the consolidated statement of operations for the year in which the asset becomes impaired.

Prices for similar items are used to measure fair value of long-lived assets.

Non-financial assets

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Investments in First Nation Business Partnerships

First Nation Business Partnerships that are neither controlled by the First Nation nor dependent on the First Nation for their continued operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by the post acquisition losses and distributions received.

2. Significant accounting policies *(Continued from previous page)*

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenue

Other revenue, such as user fees, rent, and administrative fees are recognized when service is provided and collectability is reasonably assured.

Investments in First Nation Business Partnerships

All significant financial assets, financial liabilities and equity instruments of the First Nation are either recognized or disclosed in the consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows and interest rate, currency, or credit risk.

Measurement uncertainty

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

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accounts payable and accruals are based on historical charges for unbilled goods and services at year-end.

Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

Segments

The First Nation conducts its business through nine reportable segments: Administration, Economic and Social Development, Operations and Maintenance, Social Services, Health, Ontario First Nations Limited Partnership, Capital Fund, Grassy Narrows Education Authority, and Grassy Narrows Housing Authority. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

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

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

Grassy Narrows First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

3. Cash and cash equivalents

	2018	2017
Education bank account	926,834	224,671
Operating bank account	532,617	269,342
RBC GIC's	403,278	66,240
Social Housing bank account	11,868	96,391
Cash on hand	2,366	2,615
Capital bank account	1,629	1,003
	1,878,592	660,262

4. Temporary investments

	2018	2017
Royal Bank of Canada - GIC (interest at 1.2%, matures March 19, 2019)	800,000	-
Royal Bank of Canada - GIC (interest at 0.70%, matures June 18, 2018)	337,038	-
Royal Bank of Canada - GIC (interest at 0.65%, matures June 13, 2018)	66,240	66,240
Royal Bank of Canada - GIC	-	764,000
Royal Bank of Canada - GIC	-	434,000
	1,203,278	1,264,240
Less cash maturing within three months	(403,278)	(66,240)
	800,000	1,198,000

The market value of the above GIC's at March 31, 2018 approximates book value.

Grassy Narrows First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

5. Accounts receivable

	2018	2017
Canada Mortgage and Housing Corporation	706,415	302,421
Indigenous and Northern Affairs Canada	522,034	417,800
Ministry of Education	447,715	151,016
First Nation Members	316,088	313,683
Miscellaneous	160,069	256,429
Shooniyaa Wa-Biitong	88,706	181,973
Ministry of Indigenous Relations and Reconciliation	79,000	174,997
Ministry of Health	67,350	43,810
Health Canada	55,326	16,485
HST Rebate Receivable	48,511	-
Ministry of Agriculture, Food and Rural Affairs	46,006	-
Kenora Chiefs Advisory Inc.	44,847	176,047
Ministry of Community and Social Services	36,140	57,038
Ministry of the Environment and Climate Change	9,495	270,000
Bimose Tribal Council	1,800	18,105
	2,629,502	2,379,804
Allowance for doubtful accounts	(623,980)	(621,895)
	2,005,522	1,757,909

Allowance for doubtful accounts is made up of band member advances \$299,357 (2017 - \$306,806), English River Fishing \$6,000 (2017 - \$6,000), Minnow Say Win \$19,341 (2017 - \$15,201), and CMHC rent \$299,282 (2017 - \$293,888).

6. Advances to Other Parties

	2018	2017
Advances to Keewache-Ete-Min, the Grassy Narrows Development Corporation	322,835	322,835
Advances to 1737743 Ontario Inc.	22,925	22,925
	345,760	345,760

Advances to other parties are non-interest bearing, unsecured and have no fixed terms of repayment.

Grassy Narrows First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. Funds held in Ottawa Trust Fund

Capital and revenue trust monies are transferred to the First Nation on the authorization of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Council.

	2018	2017
INAC Capital Trust		
Balance, beginning of year	7,954	7,954
Balance, end of year	7,954	7,954
Revenue Trust		
Balance, beginning of year	6,815	6,547
Interest	314	268
Balance, end of year	7,129	6,815
	15,083	14,769

8. Investment in First Nation Partnerships

	2018	2017
Investment in Kakina Economic Development Group LP (99,999 partnership units, 10% interest)	1	3,998
Ontario First Nations Asset Management GP Corporation	1	-
Ontario First Nations Sovereign Wealth GP	1	-
Ontario First Nations Limited Partnership	1	1
Investment in Kakina Economic Development Group GP (100 shares)	100	100
	104	4,099

9. Accounts payable and accruals

	2018	2017
Trade payables	1,394,036	686,782
Ontario Process	78,647	80,172
Accruals	73,000	73,000
Government remittances	8,420	12,783
Funding repayable	5,509	5,509
	1,559,612	858,246

Grassy Narrows First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

10. Deferred revenue

	Balance March 31, 2017	Funding Received 2018	Other Revenue 2018	Revenue Recognized 2018	Balance March 31, 2018
<u>Federal Government</u>					
Skills Link Project - Economic Development	20,662	125,987	-	146,649	-
Housing - Capital Fund	932,884	584,009	-	1,299,318	217,575
Education - Special Education	137,430	588,712	(726,142)	-	-
Education - Teacherages	16,865	17,809	-	34,674	-
	1,107,841	1,316,517	(726,142)	1,480,641	217,575
<u>Provincial Government</u>					
Mercury Disability Claims - Health	148,510	1,055,580	-	1,204,090	-
<u>Other</u>					
IESO - Health	1,707	-	-	1,707	-
	1,258,058	2,372,097	(726,142)	2,686,438	217,575

11. Term loans due on demand

	2018	2017
Term loans due on demand, bearing interest of 6.24%, monthly payments of \$1,067 including interest, secured by an assignment of accounts receivable.	31,396	41,886

12. Long-term debt

	2018	2017
Term loan to Royal Bank of Canada with monthly payments of \$61,500 including interest at 4.0%, secured by assignment of accounts receivable and supported by Band Council Resolution, renewing on January 27, 2019.	3,974,937	4,541,473
Loan payable to the Canada Mortgage and Housing Corporation with monthly payments of \$13,079 including interest at 2.01%, secured by Ministerial Guarantee, matures June 2019.	193,589	345,012
Term loan to Royal Bank of Canada with monthly payments of \$621 including interest at 3.72%, secured by assignment of accounts receivable and supported by Band Council Resolution, matures July 2020.	34,433	-
Loan payable to Royal Bank of Canada, repaid during the year.	-	16,667
	4,202,959	4,903,152

Grassy Narrows First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

12. Long-term debt *(Continued from previous page)*

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Total
2019	749,673
2020	658,679
2021	645,415
2022	671,710
2023	699,077
	<hr/>
	3,424,554
	<hr/>
Thereafter	778,405
	<hr/>

13. Financial instruments

The First Nation's financial instruments consist of cash, temporary investments, accounts receivable, bank indebtedness, term loans due on demand, accounts payable and accruals, 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 market value of these financial instruments approximate their carrying values, unless otherwise noted.

14. Supplemental cash flow information

The First Nation has followed the indirect method of accounting for cash flows. In addition to items reported in the consolidated statement of cash flows, the First Nation paid \$180,420 (2017 - \$184,463) in interest and received \$9,670 (2017 - \$269) of interest.

15. INAC funding reconciliation

	2018	2017
INAC funding per Confirmation	6,103,825	6,386,654
INAC funding per Financial Statements	6,103,825	6,386,654

16. Economic dependence

The First Nation receives 36% (2017 - 47%) of its revenue from Indigenous and Northern Affairs Canada (INAC) as a result of treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

Grassy Narrows First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

17. Government transfers

	<i>Operating</i>	<i>Capital</i>	<i>2018</i>	<i>2017</i>
Federal government transfers				
Indigenous and Northern Affairs Canada	5,519,816	584,009	6,103,825	6,386,654
First Nations and Inuit Health	2,721,551	-	2,721,551	1,499,101
Canada Mortgage and Housing Corporation	525,000	-	525,000	319,346
Employment and Social Development Canada	110,143	-	110,143	88,772
Canadian Environmental Assessment Agency	-	-	-	5,000
Total Federal	8,876,510	584,009	9,460,519	8,298,873
Provincial government transfers				
Ministry of Community and Social Services	1,889,021	-	1,889,021	1,971,427
Ministry of Environment and Climate Change	596,380	-	596,380	330,000
Ministry of Education	593,390	-	593,390	630,345
Ministry of Indigenous Relations and Reconciliation	519,200	-	519,200	831,655
Ministry of Health and Long-Term Care	157,634	-	157,634	127,442
Ministry of Tourism, Culture and Sport	49,284	-	49,284	48,000
Ministry of Agriculture, Food and Rural Affairs	46,006	-	46,006	-
Ministry of the Solicitor General	38,124	-	38,124	38,124
Ministry of Natural Resources	-	-	-	5,181
Total Provincial	3,889,039	-	3,889,039	3,982,174
	12,765,549	584,009	13,349,558	12,281,047

18. Contingencies

The First Nation has signed funding agreements with Indigenous and Northern Affairs Canada and other government bodies for funding of programs which state that the funding party may require surpluses to be returned. The total of such surpluses were indeterminable and the amount could be material. Payment of recoveries of prior year surpluses will be recorded in the year recovered or paid.

19. First Nations Financial Transparency Act

The First Nation is required by the First Nations Financial Transparency Act to post its consolidated financial statements on a website and submit the consolidated financial statements to INAC by July 28, 2018. As the audit report date is after this date, the First Nation is not in compliance with the requirement. The possible effect of this non-compliance has not yet been determined.

20. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

21. Budget information

The disclosed budget information has been approved by the Chief and Council and presented to the members of the First Nation.

Grassy Narrows First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Infrastructure</i>	<i>Community buildings</i>	<i>Automotive</i>	<i>Land improvements</i>	<i>Band housing</i>	<i>Roads</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	3,637,341	8,869,121	862,934	657,933	15,291,220	1,730,869	31,049,418
Acquisition of tangible capital assets	-	-	171,021	-	5,933,298	-	6,104,319
Balance, end of year	3,637,341	8,869,121	1,033,955	657,933	21,224,518	1,730,869	37,153,737
Accumulated amortization							
Balance, beginning of year	2,583,547	4,796,993	790,294	574,984	9,272,166	1,182,880	19,200,864
Annual amortization	72,167	216,630	54,441	21,933	582,331	30,197	977,699
Balance, end of year	2,655,714	5,013,623	844,735	596,917	9,854,497	1,213,077	20,178,563
Net book value of tangible capital assets	981,627	3,855,498	189,220	61,016	11,370,021	517,792	16,975,174
Net book value of tangible capital assets 2017	1,053,794	4,072,128	72,641	82,950	6,019,054	547,989	11,848,556

Grassy Narrows First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2018

	<i>Subtotal</i>	<i>CMHC housing</i>	<i>Computer systems</i>	<i>Construction in progress</i>	<i>GNEA buildings and improvements</i>	<i>2018</i>	<i>2017</i>
Cost							
Balance, beginning of year	31,049,418	2,221,940	23,544	5,586,105	6,964,697	45,845,704	44,856,240
Acquisition of tangible capital assets	6,104,319	-	-	(4,136,975)	-	1,967,344	989,465
Balance, end of year	37,153,737	2,221,940	23,544	1,449,130	6,964,697	47,813,048	45,845,705
Accumulated amortization							
Balance, beginning of year	19,200,864	1,468,099	23,544	-	3,824,697	24,517,204	23,506,602
Annual amortization	977,699	74,065	-	-	169,745	1,221,509	1,010,601
Balance, end of year	20,178,563	1,542,164	23,544	-	3,994,442	25,738,713	24,517,203
Net book value of tangible capital assets	16,975,174	679,776	-	1,449,130	2,970,255	22,074,335	21,328,502
Net book value of tangible capital assets 2017	11,848,556	753,841	-	5,586,105	3,140,000	21,328,502	

Grassy Narrows First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Consolidated expenses by object			
Administrative expenses	6,216,373	6,065,371	4,963,633
Amortization of tangible capital assets	-	1,221,508	1,010,601
Bank charges and short-term interest	24,500	26,542	40,029
Community development	645,000	150,604	158,509
Cultural development	10,000	47,287	97,655
Economic development	-	28,516	1,368
Education	151,875	195,780	179,761
Fundraising	10,000	9,624	17,359
Health	-	137,704	199,958
Honouraria	24,000	31,255	35,962
Interest on long-term debt	-	180,420	184,463
Provision for allowances	-	87,955	76,788
Salaries, wages and benefits	4,858,875	4,488,982	4,496,289
Social	1,525,611	1,436,174	1,695,375
	13,466,234	14,107,722	13,157,750

Grassy Narrows First Nation

Schedule 3 - Summary of Consolidated Schedules of Revenue and Expenses by Segment

For the year ended March 31, 2018

	<i>Schedule #</i>	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>
Administration	4	981,436	734,195	-	1,715,631	741,081	-	974,550
Economic and Social Development	5	86,552	263,518	20,662	370,732	330,857	-	39,875
Operations and Maintenance	6	706,510	460,930	1,707	1,169,147	1,233,572	84,815	20,390
Social Services	7	410,400	2,917,933	-	3,328,333	3,251,742	(9,100)	67,491
Health	8	120,000	4,004,609	148,510	4,273,119	4,110,335	-	162,784
Ontario First Nations Limited Partnership	9	-	932,291	-	932,291	407,476	(524,815)	-
Capital Fund	10	606,209	46,006	715,309	1,367,524	874,602	440,000	932,922
Grassy Narrows Education Authority	11	3,192,718	157,706	154,295	3,504,719	2,987,578	9,100	526,241
Grassy Narrows Housing Authority	12	-	182,978	-	182,978	170,479	-	12,499
		6,103,825	9,700,166	1,040,483	16,844,474	14,107,722	-	2,736,752

Grassy Narrows First Nation
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous and Northern Affairs Canada	563,098	981,436	598,625
Canadian Environmental Assessment Agency	-	-	5,000
Administration fees	115,000	304,697	163,517
Miscellaneous	24,600	136,177	231,648
Ministry of Indigenous Relations and Reconciliation	-	90,000	90,000
Shooniyaa Wa-Biitong	57,147	57,147	8,595
HST rebates	25,000	48,511	49,545
Bimose Tribal Council	-	36,396	44,393
Kenora Chiefs Advisory Inc.	-	30,500	1,000
Grand Council Treaty #3	-	10,954	100,304
Rental income	-	10,143	4,000
Interest income	-	9,670	269
Repayment of funding	-	-	(5,509)
Grassy Narrows Trust	-	-	12,000
Other revenue	-	-	3,500
	784,845	1,715,631	1,306,887
Expenses			
Administration	-	1,402	980
Bad debts	-	18,040	49,144
Bank charges and interest	20,000	19,748	34,399
Contracted services	17,147	76,991	71,715
Insurance	6,000	6,000	11,981
Miscellaneous	11,000	-	1,339
Professional fees	45,147	124,313	115,181
Repairs and maintenance	-	1,151	2,301
Salaries and benefits	499,737	372,519	428,181
Social assistance	-	453	-
Staff fund expenditures	5,000	5,602	6,190
Supplies	3,000	5,200	24,446
Telephone	21,000	24,591	47,779
Travel and training	89,000	85,071	189,656
	717,031	741,081	983,292
Surplus before transfers	67,814	974,550	323,595
Surplus (deficit)	67,814	974,550	323,595

Grassy Narrows First Nation
Economic and Social Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Employment and Social Development Canada	110,143	110,143	88,772
Indigenous and Northern Affairs Canada	71,300	86,552	89,247
Ministry of Indigenous Relations and Reconciliation	90,000	90,000	90,000
Ministry of Tourism, Culture and Sport	48,000	49,284	48,000
Grand Council Treaty #3	8,000	8,000	-
Shooniyaa Wa-Biitong	30,225	5,000	134,553
Miscellaneous	-	1,091	9,756
Deferred revenue - prior year (Note 10)	-	20,662	4,459
Deferred revenue - current year (Note 10)	-	-	(20,662)
	357,668	370,732	444,125
Expenses			
Administration	9,000	9,000	9,000
Contracted services	86,400	79,105	127,290
Miscellaneous	-	275	-
Salaries and benefits	244,030	199,548	267,721
Supplies	8,630	10,239	32,726
Telephone	2,000	2,014	3,131
Travel and training	33,520	30,676	35,757
	383,580	330,857	475,625
Surplus (deficit)	(25,912)	39,875	(31,500)

Grassy Narrows First Nation
Operations and Maintenance
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous and Northern Affairs Canada	708,422	706,510	364,105
Canada Mortgage and Housing Corporation	422,600	422,600	216,946
First Nations and Inuit Health	-	10,000	10,000
Miscellaneous	30,000	22,763	13,769
Shooniyaa Wa-Biitong	5,567	5,567	-
Ministry of Natural Resources	-	-	5,181
Independent Electricity System Operator	-	-	26,931
Deferred revenue - prior year (Note 10)	-	1,707	-
Deferred revenue - current year (Note 10)	-	-	(1,707)
	1,166,589	1,169,147	635,225
Expenses			
Amortization	-	313,747	326,073
Contracted services	684,167	605,076	242,139
Cultural development proposals	5,000	6,813	67,307
Furniture and equipment	-	-	2,732
Insurance	13,000	12,310	30,476
Repairs and maintenance	36,089	3,188	11,396
Road maintenance	38,182	35,282	23,272
Salaries and benefits	179,151	145,132	145,155
Supplies	100,000	4,698	65,547
Telephone	103,000	101,373	127,330
Travel and training	8,000	5,953	6,114
	1,166,589	1,233,572	1,047,541
Deficit before transfers	-	(64,425)	(412,316)
Transfers between segments	-	84,815	92,008
Surplus (deficit)	-	20,390	(320,308)

Grassy Narrows First Nation
Social Services
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous and Northern Affairs Canada	370,700	410,400	427,995
Ministry of Community and Social Services	1,824,000	1,841,303	1,923,709
Ministry of Education	603,073	593,390	630,345
Shooniyaa Wa-Biitong	198,030	198,031	169,512
Ministry of Health and Long-Term Care	148,270	157,634	127,442
Kenora Chiefs Advisory Inc.	101,938	101,938	101,938
Ministry of the Solicitor General	38,124	38,124	38,124
Repayment of funding	-	(12,487)	-
	3,284,135	3,328,333	3,419,065
Expenses			
Administration	58,197	34,413	34,413
Amortization	-	9,904	9,904
Contracted services	328,679	430,385	373,552
Food	-	19,681	22,394
Insurance	34,212	36,881	33,234
Professional fees	10,000	37,000	33,932
Rent	13,776	12,091	12,000
Repairs and maintenance	2,000	-	2,151
Salaries and benefits	1,149,485	1,116,891	1,027,925
Social assistance	1,467,236	1,383,376	1,610,644
Supplies	57,000	58,021	84,867
Telephone	31,000	37,042	48,563
Travel and training	173,862	76,057	108,390
	3,325,447	3,251,742	3,401,969
Surplus (deficit) before transfers	(41,312)	76,591	17,096
Transfers between segments	-	(9,100)	(54,700)
Surplus (deficit)	(41,312)	67,491	(37,604)

**Grassy Narrows First Nation
Health**

Schedule 8 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
First Nations and Inuit Health	2,621,983	2,711,551	1,489,101
Indigenous and Northern Affairs Canada	120,000	120,000	-
Ministry of the Environment and Climate Change	596,380	596,380	330,000
Ministry of Indigenous Relations and Reconciliation	339,200	339,200	651,655
Kenora Chiefs Advisory Inc.	303,542	309,760	254,507
Ministry of Community and Social Services	47,718	47,718	47,718
Grand Council Treaty #3	-	-	41,600
Deferred revenue - prior year (Note 10)	-	148,510	-
Deferred revenue - current year (Note 10)	-	-	(148,510)
	4,028,823	4,273,119	2,666,071
Expenses			
Administration	207,815	244,882	145,379
Bad debts	-	30,000	-
Contracted services	2,279,544	2,108,533	901,625
Cultural development proposals	5,000	10,139	-
Education proposals	-	7,068	-
Insurance	19,355	31,327	17,136
Meetings	-	-	4,000
Professional fees	150,000	151,519	180,159
Rent	29,953	23,000	9,300
Salaries and benefits	1,021,393	934,038	886,852
Social assistance	58,376	52,348	84,727
Supplies	116,200	202,751	115,973
Telephone	55,950	72,648	68,347
Training	19,000	2,043	-
Travel and training	289,729	240,039	246,194
	4,252,315	4,110,335	2,659,692
Surplus (deficit) before transfers	(223,492)	162,784	6,379
Transfers between segments	-	-	(15,990)
Surplus (deficit)	(223,492)	162,784	(9,611)

Grassy Narrows First Nation
Ontario First Nations Limited Partnership
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Ontario First Nations Limited Partnership	932,291	932,291	925,190
Expenses			
Community development	645,000	150,604	158,509
Cultural development	-	30,334	30,347
Economic development	-	-	1,368
Education proposals	-	88,834	3,000
Health	-	137,704	199,958
	645,000	407,476	393,182
Surplus before transfers	287,291	524,815	532,008
Transfers between segments	-	(524,815)	(532,008)
Surplus (deficit)	287,291	-	-

Grassy Narrows First Nation
Capital Fund

Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous and Northern Affairs Canada	584,009	606,209	1,736,355
Ministry of Agriculture, Food and Rural Affairs	-	46,006	-
Deferred revenue - prior year (Note 10)	-	932,884	-
Deferred revenue - current year (Note 10)	-	(217,575)	(932,884)
	584,009	1,367,524	803,471
Expenses			
Amortization	-	617,836	428,808
Contracted services	100,000	69,724	291,560
Interest on long-term debt	-	175,147	176,204
Supplies	124,009	11,895	78,898
Travel and training	-	-	955
	224,009	874,602	976,425
Surplus (deficit) before transfers	360,000	492,922	(172,954)
Transfers between segments	-	440,000	440,000
Surplus (deficit)	360,000	932,922	267,046

Grassy Narrows First Nation
Grassy Narrows Education Authority
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous and Northern Affairs Canada	3,009,432	3,192,718	3,170,327
Grand Council Treaty #3	-	83,725	-
Administration fees	-	24,442	14,018
HST rebates	18,953	18,953	-
Miscellaneous	85,297	15,877	22,591
Rental income	12,900	10,200	16,275
Donations and fundraising	-	5,696	-
Repayment of funding	-	(1,187)	-
Deferred revenue - current year <i>(Note 10)</i>	-	-	(154,295)
Deferred revenue - prior year <i>(Note 10)</i>	-	154,295	-
	3,126,582	3,504,719	3,068,916

Continued on next page

Grassy Narrows First Nation
Grassy Narrows Education Authority
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
<i>(Continued from previous page)</i>	3,126,582	3,504,719	3,068,916
Expenses			
Administration	13,282	24,442	14,018
Advertising	9,056	4,141	5,091
Amortization	-	205,956	171,752
Automotive	22,000	15,617	13,160
Bank charges and interest	4,500	6,707	5,568
Books and education supplies	25,903	19,338	34,060
Consulting	18,301	68,557	11,266
Contracted services	50	11,752	1,175
Employee benefits	147,133	70,227	99,762
Field trips	6,000	602	8,185
Fundraising	10,000	9,624	17,359
Furniture and equipment	14,000	8,922	678
Honouraria	24,000	31,255	35,962
Insurance	85,710	89,079	85,710
Living allowances	156,450	127,870	334,283
Management fees	200	-	-
Meetings	15,800	9,374	1
Miscellaneous	53,052	-	250
Office supplies	-	767	152
Professional development	7,044	2,281	53,361
Professional fees	20,725	20,738	24,112
Projects and activities	54,500	28,516	-
Property tax	-	202	52
Renovations	7,000	-	-
Repairs and maintenance	24,782	72,673	46,150
Salaries and benefits	1,566,445	1,588,526	1,572,101
School awards	11,701	5,151	1,049
Supplies	144,875	160,670	98,871
Teacher salaries	-	62,100	68,600
Telephone	15,777	9,627	15,353
Travel and training	39,005	72,135	61,640
Tuition	119,972	79,938	134,516
Utilities	135,000	180,791	142,107
	2,752,263	2,987,578	3,056,344
Surplus before transfers	374,319	517,141	12,572
Transfers between segments	-	9,100	70,690
Surplus	374,319	526,241	83,262

Grassy Narrows First Nation
Grassy Narrows Housing Authority
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Canada Mortgage and Housing Corporation	-	102,400	102,400
Rental income	-	80,578	86,154
	-	182,978	188,554
Expenses			
Administration	-	15,000	15,000
Amortization	-	74,065	74,065
Bad debts	-	39,915	27,641
Bank charges and interest	-	86	60
Insurance	-	26,619	26,616
Interest on long-term debt	-	5,273	8,259
Professional fees	-	8,000	8,000
Repairs and maintenance	-	1,521	4,039
	-	170,479	163,680
Surplus	-	12,499	24,874