

Grassy Narrows First Nation
Consolidated Financial Statements
March 31, 2019

Grassy Narrows First Nation

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For the year ended March 31, 2019

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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, an independent firm of Chartered Professional Accountants, 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.

Original Signed by:
ROBERTA KEESICK

Band Manager

Independent Auditor's Report

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

We have audited the consolidated financial statements of Grassy Narrows First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net financial assets (net debt) and cash flows for the year then ended, and notes to the 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 First Nation as at March 31, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Responsibilities of Management 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 First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation'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 First Nation'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 First Nation'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 First Nation 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 First Nation 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.

Kenora, Ontario

February 7, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Grassy Narrows First Nation
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	2018
Financial assets		
Current		
Cash and cash equivalents (Note 3)	2,201,155	1,878,592
Temporary investments (Note 4)	1,651,162	800,000
Accounts receivable (Note 5)	2,918,994	2,005,522
	6,771,311	4,684,114
Advances to Other Parties (Note 6)	345,760	345,760
Funds Held in Ottawa Trust Fund (Note 7)	15,433	15,083
Investments in First Nation Partnerships (Note 8)	104	104
Total financial assets	7,132,608	5,045,061
Liabilities		
Current		
Accounts payable and accruals (Note 9)	936,002	1,559,611
Deferred revenue (Note 10)	1,395,875	217,575
Term loans due on demand (Note 11)	20,234	31,396
	2,352,111	1,808,582
Long-term debt (Note 12)	3,462,135	4,202,959
Total liabilities	5,814,246	6,011,541
Net financial assets (net debt)	1,318,362	(966,480)
Contingencies (Note 18)		
Non-financial assets		
Tangible capital assets (Schedule 1)	21,796,480	22,074,335
Prepaid expenses	120,674	135,103
Total non-financial assets	21,917,154	22,209,438
Accumulated surplus	23,235,516	21,242,958
Approved on behalf of Chief and Council		
Original Signed by: RUDY TURTLE	Chief	Councillor
Original Signed by: CODY KEEWATIN	Councillor	Original Signed by: JASON KEJICK Councillor
Original Signed by: ALANA PAHPASAY	Councillor	

Grassy Narrows First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2019

	<i>Schedules</i>	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue				
Indigenous Services Canada (Note 15), (Note 17)		3,967,730	6,154,925	6,103,825
English and Wabigoon Rivers Remediation Trust		-	3,171,015	-
First Nations and Inuit Health (Note 17)		1,366,460	2,433,101	2,721,551
Canada Mortgage and Housing Corporation (Note 17)		-	168,205	525,000
Employment and Social Development Canada (Note 17)		-	99,375	110,143
Ministry of Community and Social Services (Note 17)		986,059	1,990,872	1,889,021
Ontario First Nations Limited Partnership		984,000	1,178,546	932,291
Ministry of Education (Note 17)		700,396	845,936	593,390
Administration fees		115,000	644,221	329,139
Kenora Chiefs Advisory Inc.		369,201	422,071	442,198
Miscellaneous		37,600	297,941	175,909
Shooniyaa Wa-Biitong		133,755	292,466	265,746
Ministry of Indigenous Affairs (Note 17)		180,210	257,519	519,200
Ministry of Agriculture, Food and Rural Affairs (Note 17)		-	168,776	46,006
Grand Council Treaty #3		85,000	147,464	102,679
Rental income		-	136,764	100,921
Ministry of Health and Long-Term Care (Note 17)		-	55,300	157,634
Ministry of Tourism, Culture and Sport (Note 17)		48,000	48,000	49,284
Ministry of the Solicitor General (Note 17)		38,124	38,124	38,124
Bimose Tribal Council		-	30,925	36,396
Interest income		-	18,974	9,670
HST rebates		25,000	15,526	67,464
Grassy Narrows Trust		-	10,750	-
Donations and fundraising		-	857	5,696
Ministry of the Environment and Climate Change (Note 17)		-	-	596,380
Repayment of funding		-	-	(13,674)
Deferred revenue - prior year (Note 10)		-	217,575	1,258,058
Deferred revenue - current year (Note 10)		-	(1,395,875)	(217,575)
		9,036,535	17,449,353	16,844,476
Expenses				
Administration	4	834,385	1,355,123	741,081
Economic and Social Development	5	197,910	418,605	330,857
Operations and Maintenance	6	451,588	849,187	1,233,572
Social Services	7	1,710,866	3,363,683	3,251,742
Health	8	1,655,078	4,712,902	4,110,335
Ontario First Nations Limited Partnership	9	330,000	469,245	407,476
Capital Fund	10	-	968,780	874,602
Grassy Narrows Education Authority	11	2,750,867	3,137,227	2,987,578
Grassy Narrows Housing Authority	12	-	182,043	170,479
Total Expenses (Schedule 2)		7,930,694	15,456,795	14,107,722
Surplus (deficit)		1,105,841	1,992,558	2,736,754

Continued on next page

Grassy Narrows First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Surplus (deficit) <i>(Continued from previous page)</i>	1,105,841	1,992,558	2,736,754
Accumulated surplus, beginning of year	21,242,958	21,242,958	18,506,204
Accumulated surplus, end of year	22,348,799	23,235,516	21,242,958

The accompanying notes are an integral part of these financial statements

Grassy Narrows First Nation
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Surplus (deficit)	1,105,841	1,992,558	2,736,754
Purchases of tangible capital assets	-	(70,480)	(1,559,539)
Increase in construction in progress	-	(884,551)	(407,802)
Amortization of tangible capital assets	-	1,232,883	1,221,508
	-	277,852	(745,833)
Acquisition of prepaid expenses	-	(120,669)	(135,101)
Use of prepaid expenses	-	135,101	258,243
	-	14,432	123,142
Decrease in net debt	1,105,841	2,284,842	2,114,063
Net debt, beginning of year	(966,480)	(966,480)	(3,080,543)
Net financial assets (net debt), end of year	139,361	1,318,362	(966,480)

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, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	1,992,558	2,736,754
Non-cash items		
Amortization	1,232,883	1,221,508
	3,225,441	3,958,262
Changes in working capital accounts		
Accounts receivable	(913,472)	(247,613)
Prepaid expenses	14,432	123,142
Accounts payable and accruals	(623,611)	701,370
Deferred revenue	1,178,300	(1,040,483)
	2,881,090	3,494,678
Financing activities		
Advances of long-term debt	-	40,000
Repayment of long-term debt	(751,987)	(750,681)
Funds held in Ottawa Trust Fund	(350)	(313)
	(752,337)	(710,994)
Capital activities		
Purchases of tangible capital assets	(70,480)	(1,559,539)
Increase in construction in progress	(884,549)	(407,805)
	(955,029)	(1,967,344)
Investing activities		
Investments in First Nation partnerships	-	3,995
(Increase) decrease in short-term investments	(851,161)	398,000
	(851,161)	401,995
Increase in cash resources	322,563	1,218,335
Cash and cash equivalents, beginning of year	1,878,592	660,257
Cash resources, end of year	2,201,155	1,878,592

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, 2019

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, 2019

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 \$2,333,677 (2018 - \$1,449,130) are currently under construction. As such, none of these assets were available for use at March 31, 2019 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 financial assets (net debt)

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets 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, 2019

3. Cash and cash equivalents

	2019	2018
Education bank account	975,691	926,834
Operating bank account	854,107	532,617
RBC GIC's	366,240	403,278
Social Housing bank account	1,547	11,868
Cash on hand	2,813	2,366
Capital bank account	757	1,629
	2,201,155	1,878,592

4. Temporary investments

	2019	2018
Royal Bank of Canada - GIC (interest at 1.7%, matures March 19, 2020)	811,765	-
Royal Bank of Canada - GIC (interest at 1.25%, matures August 5, 2019)	339,397	-
Royal Bank of Canada - GIC (interest at 1.25%, matures August 2, 2019)	500,000	-
Royal Bank of Canada - Matured during the year	-	800,000
Royal Bank of Canada - Matured during the year	-	337,038
Royal Bank of Canada - Matured during the year	-	66,240
	1,651,162	1,203,278
Less cash maturing within three months	-	(403,278)
	1,651,162	800,000

The market value of the above GIC's at March 31, 2019 approximates book value.

Grassy Narrows First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

5. Accounts receivable

	2019	2018
Indigenous Services Canada	1,127,130	522,034
Ministry of Education	803,542	447,715
First Nation Members	717,123	615,370
Ministry of Community and Social Services	240,994	36,140
Miscellaneous	205,336	160,069
First Nations and Inuit Health	166,508	55,326
Shooniyaa Wa-Biitong	125,283	88,706
Ministry of Agriculture, Food and Rural Affairs	115,843	46,006
Kenora Chiefs Advisory Inc.	44,652	44,847
Ministry of Indigenous Affairs	83,760	79,000
Bimose Tribal Council Inc.	14,005	1,800
Canada Mortgage and Housing Corporation	8,533	407,133
Ministry of Health	-	67,350
HST Rebate Receivable	-	48,511
Ministry of the Environment and Climate Change	-	9,495
	3,652,709	2,629,502
Allowance for doubtful accounts	(733,715)	(623,980)
	2,918,994	2,005,522

Allowance for doubtful accounts is made up of band member advances \$345,755 (2018 - \$299,357), English River Fishing \$6,000 (2018 - \$6,000), Minnow Say Win \$15,201 (2018 - \$19,341), and CMHC rent \$366,759 (2018 - \$299,282).

6. Advances to Other Parties

	2019	2018
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, 2019

7. Funds held in Ottawa Trust Fund

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

	2019	2018
ISC Capital Trust		
Balance, beginning of year	7,954	7,954
Balance, end of year	7,954	7,954
Revenue Trust		
Balance, beginning of year	7,129	6,815
Interest	350	314
Balance, end of year	7,479	7,129
	15,433	15,083

8. Investment in First Nation Partnerships

	2019	2018
Investment in Kakina Economic Development Group LP (99,999 partnership units, 10% interest)	1	1
Ontario First Nations Asset Management GP Corporation	1	1
Ontario First Nations Sovereign Wealth GP	1	1
Ontario First Nations Limited Partnership	1	1
Investment in Kakina Economic Development Group GP (100 shares)	100	100
	104	104

9. Accounts payable and accruals

	2019	2018
Trade payables	771,602	1,394,035
Ontario Process	78,647	78,647
Accruals	73,000	73,000
Government remittances	7,244	8,420
Funding repayable	5,509	5,509
	936,002	1,559,611

Grassy Narrows First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

10. Deferred revenue

	Balance March 31, 2018	Funding Received 2019	Other Revenue 2019	Revenue Recognized 2019	Balance March 31, 2019
Federal Government					
Housing - Capital Fund	217,575	-	-	217,575	-
Provincial Government					
Mercury Disability Claims - Health	-	-	3,248,325	1,889,076	1,359,249
Other					
Capital - Roundhouse	-	-	40,000	3,374	36,626
	217,575	-	3,288,325	2,110,025	1,395,875

11. Term loans due on demand

	2019	2018
Term loans due on demand, bearing interest of 6.24%, monthly payments of \$1,067 including interest, secured by an assignment of accounts receivable.	20,234	31,396

12. Long-term debt

	2019	2018
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, 2020.	3,394,759	3,974,937
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.	39,108	193,589
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.	28,268	34,433
	3,462,135	4,202,959

Grassy Narrows First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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
2020	616,382
2021	608,224
2022	636,460
2023	675,279
2024	709,324
	<hr/>
	3,245,669
	<hr/>
Thereafter	216,466
	<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 \$164,456 (2018 - \$180,420) in interest and received \$18,974 (2018 - \$9,670) of interest.

15. ISC funding reconciliation

	2019	2018
ISC funding per Confirmation	6,154,925	6,103,825
ISC funding per Financial Statements	6,154,925	6,103,825

16. Economic dependence

The First Nation receives 35% (2018 - 36%) of its revenue from Indigenous Services Canada (ISC) as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC 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, 2019

17. Government transfers

	<i>Operating</i>	<i>Capital</i>	<i>2019</i>	<i>2018</i>
Federal government transfers				
Indigenous Services Canada	6,154,925	-	6,154,925	6,103,825
First Nations and Inuit Health	2,433,101	-	2,433,101	2,721,551
Canada Mortgage and Housing Corporation	168,205	-	168,205	525,000
Employment and Social Development Canada	99,375	-	99,375	110,143
Total Federal	8,855,606	-	8,855,606	9,460,519
Provincial government transfers				
Ministry of Community and Social Services	1,990,872	-	1,990,872	1,889,021
Ministry of Environment and Climate Change	-	-	-	596,380
Ministry of Education	845,936	-	845,936	593,390
Ministry of Indigenous Affairs	257,519	-	257,519	519,200
Ministry of Health and Long-Term Care	55,300	-	55,300	157,634
Ministry of Tourism, Culture and Sport	48,000	-	48,000	49,284
Ministry of Agriculture, Food and Rural Affairs	168,776	-	168,776	46,006
Ministry of the Solicitor General	38,124	-	38,124	38,124
Total Provincial	3,404,527	-	3,404,527	3,889,039
	12,260,133	-	12,260,133	13,349,558

18. Contingencies

The First Nation has signed funding agreements with Indigenous Services 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 ISC by July 31, 2019. 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, 2019

	<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	1,033,955	657,933	21,224,518	1,730,869	37,153,737
Acquisition of tangible capital assets	-	-	70,480	-	-	-	70,480
Construction-in-progress	-	-	-	-	-	-	-
Balance, end of year	3,637,341	8,869,121	1,104,435	657,933	21,224,518	1,730,869	37,224,217
Accumulated amortization							
Balance, beginning of year	2,655,714	5,013,623	844,735	596,917	9,854,497	1,213,077	20,178,563
Annual amortization	85,490	212,619	68,536	21,351	570,953	30,197	989,146
Balance, end of year	2,741,204	5,226,242	913,271	618,268	10,425,450	1,243,274	21,167,709
Net book value of tangible capital assets	896,137	3,642,879	191,164	39,665	10,799,068	487,595	16,056,508
Net book value of tangible capital assets 2018	981,627	3,855,498	189,220	61,016	11,370,021	517,792	16,975,174

Grassy Narrows First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	<i>Subtotal</i>	<i>CMHC housing</i>	<i>Computer systems</i>	<i>Construction in progress</i>	<i>GNEA buildings and improvements</i>	<i>2019</i>	<i>2018</i>
Cost							
Balance, beginning of year	37,153,737	2,221,940	23,544	1,449,130	6,964,697	47,813,048	45,845,704
Acquisition of tangible capital assets	70,480	-	-	-	-	70,480	1,967,344
Construction-in-progress	-	-	-	884,547	-	884,547	-
Balance, end of year	37,224,217	2,221,940	23,544	2,333,677	6,964,697	48,768,075	47,813,048
Accumulated amortization							
Balance, beginning of year	20,178,563	1,542,164	23,544	-	3,994,442	25,738,713	24,517,204
Annual amortization	989,146	73,991	-	-	169,745	1,232,882	1,221,509
Balance, end of year	21,167,709	1,616,155	23,544	-	4,164,187	26,971,595	25,738,713
Net book value of tangible capital assets	16,056,508	605,785	-	2,333,677	2,800,510	21,796,480	22,074,335
Net book value of tangible capital assets 2018	16,975,174	679,776	-	1,449,130	2,970,255	22,074,335	

Grassy Narrows First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Consolidated expenses by object			
Administrative expenses	2,571,675	7,397,873	6,146,235
Amortization of tangible capital assets	-	1,232,882	1,221,508
Bank charges and short-term interest	20,000	21,974	26,542
Community development	150,000	189,752	150,604
Cultural development	35,000	40,361	47,287
Economic development	-	64,422	-
Education	151,875	89,864	195,780
Fundraising	-	7,494	9,624
Health	150,000	155,366	137,704
Honouraria	24,000	61,633	31,255
Interest on long-term debt	-	164,456	180,420
Provision for allowances	-	127,732	87,955
Salaries, wages and benefits	4,588,144	4,611,397	4,488,981
Social	240,000	1,291,589	1,383,827
	7,930,694	15,456,795	14,107,722

Grassy Narrows First Nation

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

For the year ended March 31, 2019

	<i>Schedule #</i>	<i>ISC 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	1,171,805	809,342	-	1,981,147	1,355,123	-	626,024
Economic and Social Development	5	88,328	304,359	-	392,687	418,605	-	(25,918)
Operations and Maintenance	6	430,490	105,619	-	536,109	849,187	269,301	(43,777)
Social Services	7	405,260	3,059,857	-	3,465,117	3,363,683	-	101,434
Health	8	-	6,072,150	(1,359,248)	4,712,902	4,712,902	-	-
Ontario First Nations Limited Partnership	9	-	1,178,546	-	1,178,546	469,245	(709,301)	-
Capital Fund	10	582,420	208,776	180,949	972,145	968,780	440,000	443,365
Grassy Narrows Education Authority	11	3,476,622	539,045	-	4,015,667	3,137,227	-	878,440
Grassy Narrows Housing Authority	12	-	195,033	-	195,033	182,043	-	12,990
		6,154,925	12,472,727	(1,178,299)	17,449,353	15,456,795	-	1,992,558

Grassy Narrows First Nation
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget	2019	2018
Revenue			
Indigenous Services Canada	563,552	1,171,805	981,436
Administration fees	115,000	396,561	304,697
Miscellaneous	24,600	142,219	136,177
Ministry of Indigenous Affairs	90,210	90,210	90,000
Shooniyaa Wa-Biitong	11,000	74,088	57,147
Bimose Tribal Council	-	30,925	36,396
Rental income	-	25,595	10,143
Interest income	-	18,974	9,670
Grand Council Treaty #3	-	17,464	10,954
Grassy Narrows Trust	-	10,750	-
Kenora Chiefs Advisory Inc.	-	2,556	30,500
HST rebates	25,000	-	48,511
	829,362	1,981,147	1,715,631
Expenses			
Administration	26,268	31,392	1,402
Amortization	-	6,887	-
Bad debts	-	74,619	18,040
Bank charges and interest	20,000	18,165	19,748
Contracted services	-	120,752	76,991
Furniture and equipment	-	2,105	-
Insurance	6,000	3,000	6,000
Professional fees	80,547	76,829	124,313
Rent	3,600	3,600	-
Repairs and maintenance	-	1,726	1,151
Salaries and benefits	550,068	418,927	372,519
Social assistance	-	-	453
Staff fund expenditures	5,000	1,000	5,602
Supplies	4,000	322,950	5,200
Telephone	22,400	24,639	24,591
Training	-	44,764	4,478
Travel and training	116,502	200,950	80,593
Utilities	-	2,818	-
	834,385	1,355,123	741,081
Surplus (deficit)	(5,023)	626,024	974,550

Grassy Narrows First Nation
Economic and Social Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Employment and Social Development Canada	-	99,375	110,143
Indigenous Services Canada	55,500	88,328	86,552
Ministry of Indigenous Affairs	90,000	90,000	90,000
Shooniyaa Wa-Biitong	-	51,996	5,000
Ministry of Tourism, Culture and Sport	48,000	48,000	49,284
Grand Council Treaty #3	-	8,000	8,000
Miscellaneous	-	6,988	1,091
Deferred revenue - prior year	-	-	20,662
	193,500	392,687	370,732
Expenses			
Administration	9,000	14,966	9,000
Consulting	-	20,010	-
Contracted services	21,400	118,049	79,105
Miscellaneous	-	-	275
Salaries and benefits	129,440	222,023	199,548
Supplies	8,800	16,115	10,239
Telephone	2,000	2,079	2,014
Travel and training	27,270	25,363	30,676
	197,910	418,605	330,857
Surplus (deficit)	(4,410)	(25,918)	39,875

Grassy Narrows First Nation
Operations and Maintenance
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	271,752	430,490	706,510
Canada Mortgage and Housing Corporation	-	64,742	422,600
First Nations and Inuit Health	-	25,000	10,000
Miscellaneous	13,000	13,650	22,763
Shooniyaa Wa-Biitong	-	2,227	5,567
Deferred revenue - prior year	-	-	1,707
	284,752	536,109	1,169,147
Expenses			
Amortization	-	325,550	313,747
Contracted services	24,348	61,017	605,076
Cultural development proposals	-	20,000	6,813
Insurance	25,000	5,306	12,310
Repairs and maintenance	36,089	16,995	3,188
Road maintenance	30,000	46,467	35,282
Salaries and benefits	160,151	149,191	145,132
Supplies	65,000	92,860	4,698
Telephone	103,000	127,041	101,373
Travel and training	8,000	4,760	5,953
	451,588	849,187	1,233,572
Deficit before transfers	(166,836)	(313,078)	(64,425)
Transfers between segments	214,000	269,301	84,815
Surplus (deficit)	47,164	(43,777)	20,390

Grassy Narrows First Nation
Social Services
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	-	405,260	410,400
Ministry of Community and Social Services	938,341	1,943,154	1,841,303
Ministry of Education	611,646	757,186	593,390
Shooniyaa Wa-Biitong	122,755	164,155	198,031
Kenora Chiefs Advisory Inc.	-	101,938	101,938
Ministry of Health and Long-Term Care	-	55,300	157,634
Ministry of the Solicitor General	38,124	38,124	38,124
Repayment of funding	-	-	(12,487)
	1,710,866	3,465,117	3,328,333
Expenses			
Administration	19,597	44,597	34,413
Amortization	-	9,904	9,904
Contracted services	205,297	523,140	430,385
Food	-	27,327	19,681
Insurance	14,212	46,212	36,881
Professional fees	-	55,028	37,000
Rent	1,776	12,000	12,091
Repairs and maintenance	2,000	-	-
Salaries and benefits	872,300	1,162,585	1,116,891
Social assistance	240,000	1,291,587	1,383,376
Supplies	139,442	56,925	58,021
Telephone	20,000	34,025	37,042
Travel and training	196,242	100,353	76,057
	1,710,866	3,363,683	3,251,742
Surplus before transfers	-	101,434	76,591
Transfers between segments	-	-	(9,100)
Surplus (deficit)	-	101,434	67,491

**Grassy Narrows First Nation
Health**

Schedule 8 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	2019 Budget	2019	2018
Revenue			
First Nations and Inuit Health	1,366,460	2,408,101	2,711,551
Indigenous Services Canada	-	-	120,000
English and Wabigoon Rivers Remediation Trust	-	3,171,015	-
Kenora Chiefs Advisory Inc.	369,201	317,577	309,760
Ministry of Indigenous Affairs	-	77,309	339,200
Miscellaneous	-	50,430	-
Ministry of Community and Social Services	47,718	47,718	47,718
Ministry of the Environment and Climate Change	-	-	596,380
Deferred revenue - prior year	-	-	148,510
Deferred revenue - current year (Note 10)	-	(1,359,248)	-
	1,783,379	4,712,902	4,273,119
Expenses			
Administration	106,815	290,606	244,882
Bad debts	-	-	30,000
Contracted services	318,263	2,492,221	2,108,533
Cultural development proposals	5,000	4,561	10,139
Education proposals	-	1,832	7,068
Furniture and equipment	-	10,306	-
Insurance	17,140	40,000	31,327
Professional fees	-	123,134	151,519
Rent	17,500	26,100	23,000
Salaries and benefits	891,062	1,009,881	934,038
Supplies	70,200	320,157	202,751
Telephone	53,950	86,240	72,648
Training	5,000	-	2,043
Travel and training	170,148	307,864	292,387
	1,655,078	4,712,902	4,110,335
Surplus (deficit)	128,301	-	162,784

Grassy Narrows First Nation
Ontario First Nations Limited Partnership
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Ontario First Nations Limited Partnership	984,000	1,178,546	932,291
Expenses			
Community development	150,000	174,692	150,604
Community events	-	15,060	-
Contracted services	-	24,580	-
Cultural development	30,000	30,800	30,334
Economic development	-	64,423	-
Education proposals	-	4,000	88,834
Health	150,000	155,366	137,704
Travel and training	-	324	-
	330,000	469,245	407,476
Surplus (deficit) before transfers	654,000	709,301	524,815
Transfers between segments	(654,000)	(709,301)	(524,815)
Surplus (deficit)	-	-	-

Grassy Narrows First Nation
Capital Fund

Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget	2019	2018
Revenue			
Indigenous Services Canada	-	582,420	606,209
Ministry of Agriculture, Food and Rural Affairs	-	168,776	46,006
Miscellaneous	-	40,000	-
Deferred revenue - prior year (Note 10)	-	217,575	932,884
Deferred revenue - current year (Note 10)	-	(36,626)	(217,575)
	-	972,145	1,367,524
Expenses			
Amortization	-	603,389	617,836
Contracted services	-	178,287	69,724
Interest on long-term debt	-	162,247	175,147
Supplies	-	23,829	11,895
Telephone	-	1,028	-
	-	968,780	874,602
Surplus (deficit) before transfers	-	3,365	492,922
Transfers between segments	440,000	440,000	440,000
Surplus (deficit)	440,000	443,365	932,922

Grassy Narrows First Nation
Grassy Narrows Education Authority
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	3,076,926	3,476,622	3,192,718
Administration fees	-	247,660	24,442
Grand Council Treaty #3	85,000	122,000	83,725
Ministry of Education	88,750	88,750	-
Miscellaneous	-	44,652	15,877
Rental income	-	19,600	10,200
HST rebates	-	15,526	18,953
Donations and fundraising	-	857	5,696
Deferred revenue - prior year	-	-	154,295
Repayment of funding	-	-	(1,187)
	3,250,676	4,015,667	3,504,719

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, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
<i>(Continued from previous page)</i>	3,250,676	4,015,667	3,504,719
Expenses			
Administration	12,462	279,545	24,442
Advertising	4,000	5,524	4,141
Amortization	-	213,163	205,956
Automotive	22,000	22,779	15,617
Bank charges and interest	-	3,571	6,707
Books and education supplies	25,903	13,420	19,338
Consulting	11,651	32,599	68,557
Contracted services	5,602	6,000	11,752
Employee benefits	207,133	62,749	70,227
Field trips	6,000	8,356	602
Fundraising	-	7,494	9,624
Furniture and equipment	33,000	61,907	8,922
Honouraria	24,000	61,633	31,255
Insurance	-	36,339	89,079
Living allowances	156,450	119,292	127,870
Meetings	5,800	9,643	9,374
Miscellaneous	14,052	2,385	-
Office supplies	-	486	767
Professional development	5,394	3,215	2,281
Professional fees	15,000	37,625	20,738
Projects and activities	9,136	9,137	28,516
Property tax	-	276	202
Renovations	10,455	10,455	-
Repairs and maintenance	88,607	110,018	72,673
Salaries and benefits	1,573,990	1,529,140	1,588,526
School awards	11,701	3,586	5,151
Supplies	145,676	143,670	160,670
Teacher salaries	56,900	56,900	62,100
Telephone	3,277	13,637	9,627
Travel and training	47,706	53,603	72,135
Tuition	119,972	62,255	79,938
Utilities	135,000	156,825	180,791
	2,750,867	3,137,227	2,987,578
Surplus (deficit) before transfers	499,809	878,440	517,141
Transfers between segments	-	-	9,100
Surplus (deficit)	499,809	878,440	526,241

Grassy Narrows First Nation
Grassy Narrows Housing Authority
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Canada Mortgage and Housing Corporation	-	103,464	102,400
Rental income	-	91,569	80,578
	-	195,033	182,978
Expenses			
Administration	-	15,000	15,000
Amortization	-	73,991	74,065
Bad debts	-	53,113	39,915
Bank charges and interest	-	235	86
Insurance	-	27,966	26,619
Interest on long-term debt	-	2,209	5,273
Professional fees	-	8,000	8,000
Repairs and maintenance	-	1,529	1,521
	-	182,043	170,479
Surplus (deficit)	-	12,990	12,499