

Biigtigong Nishnaabeg
Consolidated Financial Statements
For the year ended March 31, 2023

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Biigtigong Nishnaabeg Management's Responsibility for Financial Reporting

March 31, 2023

The accompanying consolidated financial statements of Biigtigong Nishnaabeg are the responsibility of management and have been approved by the Chief and Council.

These consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles for governments in Canada. 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 control and administrative controls of 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.

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Council, composed of council members, reviews the First Nation's consolidated financial statements and recommends their approval. The Council 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 its responsibilities, and to review the consolidated financial statements and the external auditors' report. The Council also considers, for review and approval by the members, the engagement of the external auditors.

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 Council.



Chief

Councillor

Independent Auditor's Report

To the Chief and Council Members

Qualified Opinion

We have audited the consolidated financial statements of Biigtigong Nishnaabeg and its enterprises (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statement of operations and accumulated surplus, the consolidated statement of changes in net financial assets and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023 and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Effective April 1, 2022, the First Nation was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retrospective application method, the asset retirement obligation on transition is to be recorded using assumptions as of April 1, 2022. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian public sector accounting standards on expenses and annual surplus for the years ended March 31, 2023 and 2022, tangible capital assets and the asset retirement obligation as at March 31, 2023 and 2022, and accumulated surplus as at April 1 and March 31 for both the 2023 and 2022 years.

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 First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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.

Independent Auditor's Report (cont'd)

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.

Independent Auditor's Report (cont'd)

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

Thunder Bay, Ontario
March 15, 2024

Biigtigong Nishnaabeg
Consolidated Statement of Financial Position

March 31	2023	2022
Financial assets		
Cash and cash equivalents	\$ 51,597,568	\$ 25,361,090
Accounts receivable (Note 2)	2,368,715	929,938
Trust funds held by federal government (Note 3)	38,021	37,087
Due from government organizations (Note 4)	10,374,072	3,919,091
Due from band members and employees (Note 5)	102,052	155,834
Portfolio investments (Note 6)	35	35
Investments in government business enterprises (Note 7)	3,641,730	2,555,529
Investments in government business partnerships (Note 8)	432,257	51,456
	<hr/>	<hr/>
	68,554,450	33,010,060
Liabilities		
Accounts payable and accrued liabilities (Note 9)	6,980,393	2,951,469
Due to government organizations (Note 10)	313,306	367,787
Demand and term loans (Note 11)	8,627,406	8,848,620
Deferred revenue (Note 12)	46,554,023	17,119,834
	<hr/>	<hr/>
	62,475,128	29,287,710
Net financial assets	<hr/>	<hr/>
	6,079,322	3,722,350
Non-financial assets		
Prepaid expenses	2,396,371	98,124
Tangible capital assets (Note 13)	45,605,729	28,556,385
	<hr/>	<hr/>
	48,002,100	28,654,509
Accumulated surplus (Note 14)	<hr/>	<hr/>
	\$ 54,081,422	\$ 32,376,859

On behalf of the Band:

Duncan M. Michaud _____ Chief

_____ Councilor

Biigtigong Nishnaabeg
Consolidated Statement of Operations
and Accumulated Surplus

For the year ended March 31	Budget 2023	2023	2022
(Note 22)			
Revenue			
Federal government transfers (Note 24)	\$ 8,389,859	\$ 24,583,607	\$ 8,502,543
Provincial government transfers (Note 24)	3,069,660	3,140,647	4,086,484
Ontario First Nation Limited Partnership	720,000	736,431	519,771
Kinoomaadziwin Education Body	4,652,712	3,986,418	3,697,868
Capacity funding	553,800	1,384,166	599,785
Rent	382,030	381,163	396,101
Other	1,526,348	7,694,485	5,553,260
	19,294,409	41,906,917	23,355,812
Expenses			
Administration	4,719,949	6,622,557	4,123,899
Capital Projects	3,495,632	2,459,863	2,513,611
Economic Development	579,343	408,469	560,244
Education	5,689,752	5,051,501	4,504,637
Energy and Forestry	400,000	3,730,694	2,908,072
Health Services	3,341,141	3,427,476	2,156,037
Social Services	982,940	1,224,105	1,007,993
	19,208,757	22,924,665	17,774,493
Surplus for the year before the following	85,652	18,982,252	5,581,319
Earnings (losses) from investments			
Twin Falls Limited Partnership	-	78,024	(2,288,684)
GMS Camps & Catering Limited Partnership	-	585,811	232,000
BMI-Maamwigaaboo Contracting Limited Partnership	-	24,698	(151,264)
Umbata Falls Limited Partnership	-	1,358,726	-
Biiwaabikoke Limited Partnership	-	675,052	474,954
Surplus for the year	85,652	21,704,563	3,848,325
Accumulated surplus, beginning of year	32,376,859	32,376,859	28,528,534
Accumulated surplus, end of year (Note 14)	\$ 32,462,511	\$ 54,081,422	\$ 32,376,859

Biigtigong Nishnaabeg
Consolidated Statement of Changes in Net Financial Assets

For the year ended March 31	Budget 2023	2023	2022
(Note 22)			
Surplus for the year	\$ 85,652	\$ 21,704,563	\$ 3,848,325
Acquisition of tangible capital assets	- 18,334,149)	(7,183,585)	
Amortization of tangible capital assets	- 1,244,805	1,117,702	
Proceeds on disposal of tangible capital assets	- 35,000	-	
Loss on disposal of tangible capital assets	- 5,000	125,080	
	85,652	4,655,219	(2,092,478)
Change in prepaid expenses	- (2,298,247)	64,079	
Change in net financial assets	85,652	2,356,972	(2,028,399)
Net financial assets, beginning of year	3,722,350	3,722,350	5,750,749
Net financial assets, end of year	\$ 3,808,002	\$ 6,079,322	\$ 3,722,350

Biigtigong Nishnaabeg
Consolidated Statement of Cash Flows

For the year ended March 31	2023	2022
Cash flows from operating activities		
Surplus for the year	\$ 21,704,563	\$ 3,848,325
Items not involving cash		
Amortization of tangible capital assets	1,244,805	1,117,702
Biiwaabikoke Limited Partnership earnings	(675,052)	(474,954)
BMI-Maamwigaaboo Contracting Limited Partnership loss (earnings)	(24,698)	151,264
Twin Falls Limited Partnership loss (income)	(78,024)	2,288,684
Umbata Falls Limited Partnership income	(542,808)	-
Loss on disposal of tangible capital assets	5,000	125,080
	<hr/>	<hr/>
	21,633,786	7,056,101
Change in non-cash working capital items		
Accounts receivable	(1,438,777)	(31,582)
Trust funds held by federal government	(934)	(332)
Due from government organizations	(6,454,981)	(2,909,465)
Due from band members and employees	53,782	(21,602)
Prepaid expenses	(2,298,247)	64,079
Accounts payable and accrued liabilities	4,028,924	707,859
Due to government organizations	(54,481)	(72,893)
Deferred revenue	29,434,189	13,587,053
	<hr/>	<hr/>
	23,269,475	11,323,117
Cash flows from financing activities		
Advances of demand and term loans	130,159	708,540
Repayment of demand and term loans	(351,373)	(776,702)
	<hr/>	<hr/>
	(221,214)	(68,162)
Cash flows from investing activities		
Advances from (to) Twin falls Limited Partnership	-	2,113
Advances from (to) BMI-Maamwigaaboo Contracting Ltd.	16,600	66,128
Advances from (to) Biiwaabikoke Limited Partnership	34,683	(34,583)
Distributions from Biiwaabikoke Limited Partnership	175,000	-
Distributions from BMI-Maamwigaaboo Contracting Ltd.	-	165,750
Investment in government business enterprises	-	(100)
Investment in short term investments	-	1,406,180
Investment in Wiigiiwaaganag Limited Partnership	(100,000)	-
Advances to Wiigiiwaaganag Limited Partnership	(272,703)	-
	<hr/>	<hr/>
	(146,420)	1,605,488
Cash flows from capital transactions		
Acquisition of tangible capital assets	(18,334,149)	(7,183,585)
Proceeds from disposal of tangible capital assets	35,000	-
	<hr/>	<hr/>
	(18,299,149)	(7,183,585)
Increase in cash and cash equivalents	26,236,478	12,732,959
Cash and cash equivalents, beginning of year	25,361,090	12,628,131
Cash and cash equivalents, end of year	<hr/>	<hr/>
	\$ 51,597,568	\$ 25,361,090

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

1. Significant Accounting Policies

Reporting Entity	The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all related entities accountable for the administration of their financial affairs and resources to Biigtigong Nishnaabeg and which are owned or controlled by the First Nation. These financial statements include: Biigtigong Dbenjan Ltd. Begetekong Trust MKWA Contracting GP Ltd.
	Inter-entity transactions and balances have been eliminated.
Basis of Accounting	The consolidated financial statements of the Biigtigong Nishnaabeg have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand, bank balances and bank overdrafts with maturities of three months or less.
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. Government transfers are recognized as revenues 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. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Contributions, other than government transfers, are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Capacity funding is recognized on an accrual basis in accordance with the capacity funding agreement with Williams Operating Corporation to support economic development in the community. Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

1. Significant Accounting Policies (Cont'd)

Revenue Recognition (Con't)	Revenue from providing road maintenance services is recognized on an accrual basis as generated in accordance with the contract with Nawiingnokiima Forest Management Corporation, based on the number of man and machine hours worked, including unbilled revenue accrued in respect of services provided, but not yet billed.																
Use of Estimates	The preparation of 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 financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.																
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table> <tr> <td>Equipment</td> <td>- 10-20 years</td> </tr> <tr> <td>Furniture and fixtures</td> <td>- 10 years</td> </tr> <tr> <td>Vehicles</td> <td>- 10 years</td> </tr> <tr> <td>Community buildings</td> <td>- 20-50 years</td> </tr> <tr> <td>Housing Assets</td> <td>- 50 years</td> </tr> <tr> <td>Computer equipment</td> <td>- 3 years</td> </tr> <tr> <td>Infrastructure</td> <td>- 20-75 years</td> </tr> <tr> <td>Forestry Harvesting Equipment</td> <td>- 10 years</td> </tr> </table> <p>Assets under construction are not amortized until the asset is available to be put into service.</p>	Equipment	- 10-20 years	Furniture and fixtures	- 10 years	Vehicles	- 10 years	Community buildings	- 20-50 years	Housing Assets	- 50 years	Computer equipment	- 3 years	Infrastructure	- 20-75 years	Forestry Harvesting Equipment	- 10 years
Equipment	- 10-20 years																
Furniture and fixtures	- 10 years																
Vehicles	- 10 years																
Community buildings	- 20-50 years																
Housing Assets	- 50 years																
Computer equipment	- 3 years																
Infrastructure	- 20-75 years																
Forestry Harvesting Equipment	- 10 years																
Leased Assets	Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the First Nation, and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.																

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

1. Significant Accounting Policies (Cont'd)

Portfolio Investments	Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.
Government Business Enterprises	Investments in Government Business Enterprises are recorded using the modified equity method. Under the modified equity method, the business enterprise's accounting principles are not adjusted to conform with those of the First Nation.
	Umbata Falls Limited Partnership, Twin Falls Limited Partnership (general partner Kagiano Power Corporation) and Biwaabikoke Limited Partnership are considered Government Business Enterprises and are recorded using the modified equity method and inter organizational transactions are not eliminated.
Government Business Partnerships	Investments in Government Business Partnerships are recorded using the modified equity method. Under the modified equity method, the business partnerships accounting principles are not adjusted to conform with those of the First Nation.
	BMI-Maamwigaaboo Contracting Limited Partnership (general partner BMI-Maamwigaaboo Contracting (2017) GP Inc.) and Wiigiiwaaganag Limited Partnership are considered a Government Business Partnership and are recorded using the modified equity method and inter organizational transactions are not eliminated.
Replacement Reserves	Under the terms of agreements with Canada Mortgage and Housing Corporation, the Replacement Reserve for housing is to be credited in varying amounts annually until it accumulates to the maximum amount plus accumulated interest. These funds along with accumulated interest, must be held in separate bank accounts and may only be used as approved by Canada Mortgage and Housing Corporation.
	The First Nation has also established reserve funds for new school capital. Annual determination of amount to be set aside in this reserve fund is approved by Chief and Council.
Financial Instruments	Cash and cash equivalents and equity instruments quoted in an active market are measured at fair value. Accounts receivable, due from government organizations, due from band members and employees, portfolio investments, accounts payable and accrued liabilities, due to government organizations and demand and term loans 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.

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

1. Significant Accounting Policies (Cont'd)

Financial Instruments (cont'd)	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.
	All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.
	Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

2. Accounts Receivable

	2023	2022
Anishinabek Employment and Training Services	\$ 7,525	\$ 31,265
Dilico	29,369	17,113
First Nation Market Housing	92,151	-
Kinoomaadzwin Education Body	155,476	148,008
Marathon PGM Corporation	97,665	-
Nawiinginokiima Forest Management Corporation	67,050	103,684
Northern Ontario Heritage Fund Corporation	139,011	-
Pic River Development Corporation	90,000	-
Twin Falls Limited Partnership	-	768
Union of Ontario Indians	479,685	463,432
William's Operating Corporation	2,775	-
Umbata Falls Limited Partnership	815,918	-
Other receivables	<u>392,090</u>	<u>165,668</u>
	<hr/> <u>\$ 2,368,715</u>	<hr/> <u>\$ 929,938</u>

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

3. Trust Funds Held by Federal Government

	March 31, 2022	Additions 2023	Withdrawals 2023	March 31, 2023
Revenue	\$ 36,204	\$ 934	-	\$ 37,138
Capital	883	-	-	883
	\$ 37,087	\$ 934	-	\$ 38,021

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

4. Due from Government Organizations

	2023	2022
Federal government		
Indigenous Services Canada	\$ 7,600,591	\$ 960,187
Canada Mortgage and Housing Corporation	10,104	25,545
Canadian Environmental Assessment Agency	-	200,860
Federal Economic Development Agency	499,999	-
Fisheries and Oceans Canada	278,480	185,436
Harmonized sales tax	646,778	286,235
Provincial government		
Infrastructure Ontario	-	1,720,654
Ministry of Aboriginal Affairs	-	350,000
Ministry of Environment	102,665	-
Ministry of Health	7,055	5,349
Ministry of Children, Community and Social Services	28,995	28,995
Ministry of Indigenous Relations	1,172,448	28,547
Ministry of Natural Resources	26,957	-
Ministry of Transportation	-	127,283
	\$ 10,374,072	\$ 3,919,091

5. Due from Band Members and Employees

	2023	2022
Rents receivable	\$ 620,597	\$ 628,945
Allowance for doubtful accounts	(533,088)	(489,123)
	87,509	139,822
General	14,543	16,012
	\$ 102,052	\$ 155,834

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

6. Portfolio Investments

	2023	2022
GMS Camps & Catering Limited Partnership	\$ 33	\$ 33
Supercom Industries Limited Partnership	1	1
Bamkushwada Limited Partnership	1	1
	\$ 35	\$ 35

7. Investments in Government Business Enterprises

Biigtigong Nishnaabeg's investments in government business enterprises consist of the following:

	2023	2022
Kagiano Power Corporation		
Investment	\$ 100	\$ 100
Advances	151,100	151,100
Twin Falls Limited Partnership		
Investment	1,961,756	1,883,732
Advances	10,960	10,960
Biiwaabikoke Limited Partnership		
Investment	975,106	475,054
Advances	(100)	34,583
Umbata Falls Limited Partnership		
Investment	542,808	-
	\$ 3,641,730	\$ 2,555,529

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

7. Investments in Government Business Enterprises (cont'd)

The following table presents condensed financial information for these commercial enterprises:

	Biwaabikoke LP	Twin Falls LP	Umbata Falls LP	December 31, 2023 Total	December 31, 2022 Total
Cash	\$ 757,667	\$ 999,707	\$ 1,351,344	\$ 3,108,718	\$ 4,258,542
Accounts receivable	504,929	154,208	1,217,168	1,876,305	1,171,989
Tangible capital assets	14,301	2,053,755	25,777,581	27,845,637	30,033,163
Other assets	-	-	2,820,353	2,820,353	2,111,212
Total assets	\$ 1,276,897	\$ 3,207,670	\$ 31,166,446	\$ 35,651,013	\$ 37,574,906
Accounts payable	\$ 81,950	\$ 66,991	\$ 1,548,253	\$ 1,697,194	\$ 1,536,379
Long-term debt	-	983,931	26,178,277	27,162,208	30,391,501
Other liabilities	108,324	17,532	2,375,588	2,501,444	5,998,027
Total liabilities	190,274	1,068,454	30,102,118	31,360,846	37,925,907
Equity	1,086,623	2,139,216	1,064,328	4,290,167	(351,001)
Total liabilities and equity	\$ 1,276,897	\$ 3,207,670	\$ 31,166,446	\$ 35,651,013	\$ 37,574,906
Revenue	\$ 2,922,361	\$ 799,045	\$ 9,354,713	\$ 13,076,119	\$ 8,757,955
Gain on financial instrument	-	-	3,198,871	3,198,871	2,755,291
Expenses	2,922,361	799,045	12,553,584	16,274,990	11,513,246
Impairment of plant and equipment	2,240,490	718,242	6,871,832	9,830,564	9,537,616
Net income	\$ 681,871	\$ 80,803	\$ 5,681,752	\$ 6,444,426	\$ 1,735,630

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

7. Investments in Government Business Enterprises (cont'd)

The government business enterprises are related to businesses in the energy and mining sectors.

The First Nation owns 97% of the units of Twin Falls Limited Partnership and 100% of Kagiano Power Corporation, which is the general partner. The remaining interest is owned by an arm's length party. Twin Falls Limited Partnership was formed to carry on the business of constructing and operating a hydro electric project.

The latest financial statements available for Twin Falls Limited Partnership are for the year ended December 31, 2022. The Partnership realized a comprehensive income of \$80,803 for the year ended December 31, 2022 (2021 - net loss of \$431,632). The First Nation recorded their proportionate share of the income which amounted to \$78,024 (2021 - loss of \$416,874). In 2021 the First Nation recorded their proportionate share of the losses for both 2020 and 2021 year-ends, which amounted to \$2,288,684 as the 2020 information was not available at the date of issuance of the 2022 statements. The First Nation has guaranteed that Twin Falls Limited Partnership's hydrology/maintenance reserve fund will remain funded to a prescribed amount of \$400,000. As at December 31, 2022, this reserve was funded to a level of \$400,002. In the event that the reserve is underfunded, Twin Falls Limited Partnership's financial institution has the right to call for the additional capital from the First Nation.

The First Nation has a 51% interest in the Umbata Falls Limited Partnership with the remaining interest being owned by arm's length parties. No monies have been contributed by the First Nation to this Limited Partnership as all startup costs are to be paid by the 49% interest parties. The First Nation has no liability relating to the Umbata Falls Limited Partnership, which has accumulated losses as at December 31, 2022 amounting to \$10,174,786 (2021 - \$14,053,280). The net income for the Limited Partnership for the year ended December 31, 2022 was \$5,681,752 (2021 net income - \$1,687,510). The First Nation recorded their proportionate share of the equity, which was not recorded previously due to an accumulated deficit, which amounted to \$542,807 (2021 - \$nil). During the year ended March 31, 2023 the Limited Partnership made cash distributions to the First Nation of \$815,919 (2022 - \$nil). The First Nation has pledged its limited partnership units in Umbata Falls Limited Partnership as security for debt held by Umbata Falls Limited Partnership.

The First Nation owns 100% of the units of Biwaabikoke Limited Partnership and is entitled to 99% of the partnership's earnings. The partnership was formed with the purpose of providing labour services to the mining industry. The latest financial statements available for the partnership are for the year ended December 31, 2022. Biwaabikoke Limited Partnership realized a net income for the year ended December 31, 2022 totalling \$681,871 (2022 - \$479,752). The Band recorded their proportionate share of the income which amounted to \$675,052 (2022 - \$474,954). The Band also received distributions from Biwaabikoke Limited Partnership during the year totalling \$175,000 (2022 - \$nil)

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

8. Investments in Government Business Partnerships

Biigtigong Nishnaabeg's investments in government business partnerships consist of the following:

	2023	2022
BMI-Maamwigaaboo Contracting Limited Partnership		
Investment	\$ 108,648	\$ 83,950
Advances	(49,094)	(32,494)
Wiigiiwaaganag Limited Partnership		
Investment	100,000	-
Advances	272,703	-
	\$ 432,257	\$ 51,456

The following table presents condensed financial information for these commercial enterprises:

	2023	2022
Cash	\$ 193,174	\$ 157,573
Accounts receivable	58,712	36,808
Tangible capital assets	2,705,156	80,735
Other assets	22,476	17,279
Total assets	\$ 2,979,518	\$ 292,395
Accounts payable	\$ 42,161	\$ 10,448
Long-term debt	1,948,939	146,799
Other liabilities	611,739	-
Total liabilities	2,602,839	157,247
Equity	376,679	135,148
Total liabilities and equity	\$ 2,979,518	\$ 292,395
Revenue	\$ 257,079	\$ 146,040
Gain on disposal of equipment	71,800	-
Expenses	328,879	146,040
	273,861	448,629
Net income (loss)	\$ 55,018	\$ (302,589)

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

8. Investments in Government Business Partnerships (cont'd)

The First Nation owns 48% of the units of BMI-Maamwigaaboo Contracting Limited Partnership and is entitled to 49.9% of the partnership's earnings. The remaining interest is owned by an arm's length party. BMI-Maamwigaaboo Contracting Limited Partnership was formed to engage in business opportunities in the forestry, mining, energy and construction industries. The latest financial statements available for the partnership are for the year ended March 31, 2023. BMI-Maamwigaaboo Contracting Limited Partnership realized net income for the year ended March 31, 2023 totaling \$49,406 (2022 - net loss \$302,589). The First Nation recorded their proportionate share of the income, which was \$24,698 (2022 - loss \$151,264).

The First Nation owns 48% of the units of Wiigiiwaaganag Limited Partnership and is entitled to 49.9% of the partnership's earnings. The remaining interest is owned by an arm's length party. Wiigiiwaaganag Limited Partnership was formed to engage in the business of owning and operating commercial real estate opportunities. The latest financial statements available for the partnership are for the 135 day period ended December 31, 2022. Wiigiiwaaganag Limited Partnership realized net income for the year ended December 31, 2023 totaling \$5,612.

9. Accounts Payable and Accrued Liabilities

	2023	2022
Trade payables	\$ 4,162,055	\$ 2,207,106
Other accrued liabilities	2,818,338	744,363
	\$ 6,980,393	\$ 2,951,469

10. Due to Government Organizations

	2023	2022
Federal government		
Indigenous Services Canada	\$ 225,036	\$ 225,036
Receiver General	88,270	142,751
	\$ 313,306	\$ 367,787

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Notes to Consolidated Financial Statements

March 31, 2023

11. Demand and Term Loans

	2023	2022
Royal Bank non-revolving multiple draw term loan, due on the earlier of settlement of outstanding land claims against the Government of Canada and February 2024	\$ 6,732,111	\$ 6,601,952
CMHC repayable \$6,589 monthly, including interest at 0.73%, maturing May 2025	169,907	247,425
CMHC repayable \$4,919 monthly, including interest at 1.13%, maturing July 2026	193,000	249,499
CMHC repayable \$4,960 monthly, plus interest at 3.55%, maturing March 2032	458,422	503,974
CMHC Mortgage, repayable \$2,953 monthly, including interest at 3.98%, maturing October 2032	282,357	307,901
CMHC repayable \$1,654 monthly, including interest at 2.22%, maturing November 2033	188,434	203,931
CMHC repayable \$1,767 monthly, including interest at 2.22%, maturing October 2033	199,902	216,487
Royal Bank of Canada term loan, repayable at \$4,178 monthly including interest at 3.44%, maturing May 2026	161,394	205,220
Royal Bank of Canada term loan, repayable at \$2,050 monthly plus interest at 3.44%, maturing May 2026	80,549	107,360
Royal Bank of Canada term loan, repayable at \$4,178 monthly including interest at 3.44%, maturing May 2026	161,330	204,871
	<hr/>	<hr/>
	\$ 8,627,406	\$ 8,848,620

Royal Bank demand loans are secured by a general security agreement covering all of the First Nation assets, the assignment of Casino Rama funds in the amount of \$200,000 per annum, the future revenues of Umbata Falls Generating Station and the future rental revenues from the Anishinabek Police Service Building. Royal Bank term loans are secured by a general security agreement providing a first charge over all assets of MKWA Contracting Ltd. and a limited guarantee signed by Biigtigong Nishnaabeg. CMHC mortgages are secured by land and buildings and guaranteed by Indigenous Services Canada.

Principal payments due in the next five years and thereafter, assuming refinancing at the current rates, are as follows:

Current Banking Agreements	
Year	
2024	\$ 7,085,941
2025	361,527
2026	303,505
2027	172,492
2028	114,255
Thereafter	589,686
	<hr/>
	\$ 8,627,406

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

12. Deferred Revenue

	Balance March 31 2022	Revenue Received 2023	Revenue Recognized 2023	Balance March 31 2023
Federal Government				
Crisis Response - ISC	\$ 347,798	\$ 163,005	\$ 215,949	\$ 294,854
Skills Link Program - ISC	41,688	102,634	88,493	55,829
Relief for Businesses - ISC	25,869	-	20,394	5,475
Prevention Service - ISC	111,811	61,719	166,427	7,103
Sanitation Systems - ISC	42,036	-	42,036	-
Fire Protection - ISC	56,412	91,079	47,366	100,125
Electrical Systems - ISC	21,315	17,258	-	38,573
Water and Sewer - ISC	116,531	32,345,602	6,042,330	26,419,803
Capital Housing - ISC	21,880	-	-	21,880
Healing Centre - ISC	198,073	-	16,061	182,012
Housing Renovation - ISC	184,712	-	184,712	-
Education Centre - ISC	12,829,271	8,368,499	10,109,638	11,088,132
Youth Employment - ISC	126,123	-	94,168	31,955
2 Unit Housing Project - ISC	364,095	245,600	3,525	606,170
Roads Operation Fund - ISC	84,565	147,026	41,951	189,640
Road Upgrades - ISC	117,351	-	21,885	95,466
Community Buildings Operations				
Fund - ISC	41,442	127,635	169,077	-
Community Care - ISC	138,855	244,423	72,556	310,722
Prenatal Nutrition - ISC	25,954	11,925	20,485	17,394
Healthy Planning - ISC	77,851	-	77,851	-
Injury Prevention - ISC	33,049	126,809	76,371	83,487
Oral Health - ISC	2,933	29,386	23,686	8,633
Primary Health Care - ISC	211,250	253,279	50,994	413,535
Health Wellness Team - ISC	207,711	500,000	539,789	167,922
Pandemic - ISC	20,940	2,000	13,203	9,737
Medical Records Update - ISC	21,513	-	683	20,830
Reopening Funding - ISC	23,487	-	-	23,487
Emergency COVID-19 - ISC	9,256	-	-	9,256
Tobacco Council - ISC	17,772	6,376	638	23,510
Aquatic Monitoring - ISC	199,817	49,953	230,607	19,163
Youth Suicide Prevention - ISC	76,001	-	76,001	-
E-Health - ISC	14,237	33,199	-	47,436
NNADAP - ISC	34,814	101,061	117,754	18,121
Diabetes Initiative - ISC	518	32,020	32,467	71
COVID Funding - ISC	32,103	-	20,374	11,729
One-time COVID-19 Funding - ISC	61,275	-	-	61,275
18 Unit Housing Program - ISC	-	72,050	50,808	21,242
Assisted Living - ISC	-	21,842	2,184	19,658
Family Violence Prevention - ISC	-	8,625	7,331	1,294
Lot 10 Development - ISC	-	580,000	40,395	539,605
Cultural Education - ISC	-	500,000	30,000	470,000
UNDRIP - ISC	-	50,000	19,581	30,419
Balance forward	<u>\$ 15,940,308</u>	<u>\$ 45,293,005</u>	<u>\$ 19,767,770</u>	<u>\$ 41,465,543</u>

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

12. Deferred Revenue (cont'd)

	Balance March 31 2022	Revenue Received 2023	Revenue Recognized 2023	Balance March 31 2023
Balance forward	\$ 15,940,308	\$ 45,293,005	\$ 19,767,770	\$ 41,465,543
Provincial Government				
Ontario Works Client Support				
- MAA	-	255,435	250,403	5,032
Title Claim - MAA	194,339	933,211	1,085,628	41,922
Journey Together - MED	-	102,058	95,098	6,960
Personal Service Workers - MOH	-	36,692	30,078	6,614
Welfare Administration - MCCSS	69,062	102,396	85,793	85,665
ECCC Water Monitoring - MOE	-	55,000	52,268	2,732
MECP Water Monitoring - MOE	-	68,365	16,280	52,085
Fisheries and Wildlife - MOE	-	9,000	-	9,000
Caribou Project	-	74,990	74,214	776
Fish Consumption Survey	-	9,000	-	9,000
Other				
Family Well-Being - UOI	82,417	157,834	222,305	17,946
Community Wellness Worker - UOI	-	69,527	66,137	3,390
Community Standards - UOI	7,500	-	-	7,500
Youth Life Promotions - UOI	-	20,245	19,479	766
Preventative Customary Care - UOI	-	279,000	244,086	34,914
COVID-19 Funding - UOI	55,064	27,001	54,456	27,609
Mental Health - UOI	225,217	-	171,844	53,373
Guidance and Counselling - KEB	65,281	207,590	165,272	107,599
Post Secondary - KEB	37,895	1,223,759	1,050,629	211,025
Language Collaboration - KEB	15,427	-	6,000	9,427
COVID-19 Funding - KEB	172,844	-	1,071	171,773
Attendance Monitor - KEB	13,186	89,750	26,346	76,590
Student Transportation - KEB	12,984	170,100	158,606	24,478
High Cost Education - KEB	22,318	601,257	375,500	248,075
Ancillary Support- KEB	64,317	173,579	86,283	151,613
Land Based Research - KEB	3,533	24,000	22,667	4,866
Before and After School - KEB	56,438	65,500	21,288	100,650
Federal Education - KEB	-	1,317,221	1,260,268	56,953
Tuition Agreements - KEB	-	704,000	460,956	243,044
School Maintenance - KEB	-	389,632	288,865	100,767
Private High School - KEB	-	80,985	1,914	79,071
Canoe Reach Ahead - KEB	-	37,500	35,190	2,310
Curriculum Development - KEB	-	45,000	14,168	30,832
Parks Canada Guardian Program	-	80,000	74,104	5,896
Cultural Education and Wellness - MOE	-	1,600,000	-	1,600,000
Indigenous Habitat Participation Program	-	146,612	87,255	59,357
Lifestyle Centre	-	1,106,500	28,127	1,078,373
Other	81,704	511,515	232,722	360,497
	\$ 17,119,834	\$ 55,850,904	\$ 26,490,308	\$ 46,554,023

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Notes to Consolidated Financial Statements

March 31, 2023

13. Tangible Capital Assets

	2023										
	Land	Housing Assets	Community Buildings	Furniture and Fixtures	Equipment	Vehicles	Infrastructure	Computer Equipment	Forestry Equipment	Construction in Progress	Total
Cost, beginning of year	\$ 1,754,050	\$ 16,260,681	\$ 11,547,244	\$ 806,167	\$ 1,070,134	\$ 1,959,211	\$ 5,393,124	\$ 673,746	\$ 1,322,319	\$ 3,609,966	\$ 44,396,642
Acquisition	-	143,264	347,449	-	476,563	333,106	9,276	-	-	17,024,491	18,334,149
Disposals	-	-	-	-	(80,000)	-	-	-	-	-	(80,000)
Cost, end of year	1,754,050	16,403,945	11,894,693	806,167	1,466,697	2,292,317	5,402,400	673,746	1,322,319	20,634,457	62,650,791
Accumulated amortization, beginning of year	-	7,432,097	3,269,024	760,846	434,191	944,411	1,913,011	646,938	439,739	-	15,840,257
Amortization	-	316,681	276,319	7,118	113,203	190,502	181,942	26,808	132,232	-	1,244,805
Disposals	-	-	-	-	(40,000)	-	-	-	-	-	(40,000)
Accumulated amortization, end of year	-	7,748,778	3,545,343	767,964	507,394	1,134,913	2,094,953	673,746	571,971	-	17,045,062
Net carrying amount, end of year	\$ 1,754,050	\$ 8,655,167	\$ 8,349,350	\$ 38,203	\$ 959,303	\$ 1,157,404	\$ 3,307,447	-	\$ 750,348	\$ 20,634,457	\$ 45,605,729

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13. Tangible Capital Assets (cont'd)

	2022										
	Land	Housing Assets	Community Buildings	Furniture and Fixtures	Equipment	Vehicles	Infrastructure	Computer Equipment	Forestry Equipment	Construction in Progress	Total
Cost, beginning of year	\$ 905,181	\$ 15,140,514	\$ 10,789,118	\$ 806,167	\$ 792,711	\$ 1,165,127	\$ 3,397,299	\$ 673,746	\$ 1,175,429	\$ 2,680,465	\$ 37,525,757
Acquisition	848,869	1,120,167	758,126	-	277,423	794,084	1,995,825	-	459,590	1,840,668	8,094,752
Disposals	-	-	-	-	-	-	-	-	(312,700)	(911,167)	(1,223,867)
Cost, end of year	1,754,050	16,260,681	11,547,244	806,167	1,070,134	1,959,211	5,393,124	673,746	1,322,319	3,609,966	44,396,642
Accumulated amortization, beginning of year	-	7,117,069	3,010,078	753,728	358,407	801,420	1,731,532	619,834	518,107	-	14,910,175
Amortization	-	315,028	258,946	7,118	75,784	142,991	181,479	27,104	109,252	-	1,117,702
Disposals	-	-	-	-	-	-	-	-	(187,620)	-	(187,620)
Accumulated amortization, end of year	-	7,432,097	3,269,024	760,846	434,191	944,411	1,913,011	646,938	439,739	-	15,840,257
Net carrying amount, end of year	\$ 1,754,050	\$ 8,828,584	\$ 8,278,220	\$ 45,321	\$ 635,943	\$ 1,014,800	\$ 3,480,113	\$ 26,808	\$ 882,580	\$ 3,609,966	\$ 28,556,385

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Notes to Consolidated Financial Statements

March 31, 2023

14. Accumulated Surplus

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

	2023	2022
Internally Restricted		
Reserve for New School (Note 15)	\$ 69,109	\$ 69,109
Externally Restricted		
Subsidy Surplus Reserve (Note 16)	10,000	10,000
Reserve for Pre-1997 Housing (Note 15)	-	234,720
Reserve for Post-1996 Housing (Note 15)	351,533	293,330
	361,533	538,050
Unrestricted Surplus	\$ 53,650,780	31,769,700
Accumulated surplus at end of year	\$ 54,081,422	\$ 32,376,859

Internally restricted Reserve Funds represent funds set aside by council resolution for specific purposes.

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15. Replacement Reserves

				2023	2022
	Pre-1997	Post-1996			
	Housing	Housing	New School	Total	Total
Balance, beginning of year	\$ 234,720	\$ 293,330	\$ 69,109	\$ 597,159	\$ 554,513
Allocation for the year	-	63,950	-	63,950	57,250
Expenditures	-	(5,747)	-	(5,747)	(14,604)
Transfer to unrestricted	(234,720)	-	-	(234,720)	-
Balance, end of year	\$ -	\$ 351,533	\$ 69,109	\$ 420,642	\$ 597,159

Under the terms of agreements with Canada Mortgage and Housing Corporation, the Replacement Reserve for Post-1996 housing is to be credited in the amount of \$63,950 annually until it accumulates to the maximum of \$161,000 plus accumulated interest. These funds along with accumulated interest, must be held in separate bank accounts and may only be used as approved by Canada Mortgage and Housing Corporation.

The First Nation has also established a reserve fund for new school capital. Annual determination of amount to be set aside in this reserve fund is approved by Chief and Council.

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Notes to Consolidated Financial Statements

March 31, 2023

16. Subsidy Surplus Reserve

	2023	2022
Balance, beginning and end of year	\$ 10,000	\$ 10,000

Under the terms of agreements with Canada Mortgage and Housing Corporation, excess federal assistance payments received may be retained in a subsidy surplus reserve up to a maximum of \$500 per unit plus interest. These funds, along with accumulated interest must be retained in separate bank accounts. The funds in this account may only be used to meet future subsidy requirements of income tested occupants over and above the maximum federal assistance. When the fund has attained the maximum of \$500 per unit, up to 10% of the excess assistance during a year may be transferred to other projects owned by the First Nation requiring additional assistance.

17. Economic Dependence

The First Nation is dependent upon subsidy payments from various government agencies to finance its continuing operations.

18. Pension Plan

The First Nation has a defined contribution pension plan covering all employees. The employees contribute 5% of their earnings to the plan and the First Nation matches their contribution. Employees may also increase the size of their pension investment by making voluntary contributions by payroll deduction subject to the limit specified in the Income Tax Act (Canada). The expense to the First Nation included in wages and benefits for the year was \$225,871 (2022 - \$195,846).

19. Contingent Liabilities

The First Nation has guaranteed the indebtedness of Twin Falls Limited Partnership up to an amount of \$2,500,000. The latest financial statements available for Twin Falls Limited Partnership are for the year ended December 31, 2022. The balance of the loan was approximately \$983,000 as at December 31, 2022 (2021 - \$1,370,000).

The First Nation has guaranteed 50% of the indebtedness of Wiigiiwaaganag Limited Partnership up to an amount of \$990,000. The latest financial statements available for Wiigiiwaaganag Limited Partnership are for the year ended December 31, 2022. The balance of the guaranteed indebtedness was approximately \$975,000 as at December 31, 2022 (2021 - \$nil).

In the normal course of operations the First Nation may face claims and litigation, the outcome of which is not determinable as at March 31, 2023. Settlements if any, will be expensed in the consolidated statement of operations and accumulated surplus in the year which judgment or settlement is rendered. No provision has been made in these consolidated financial statements in respect of the above claims of litigation.

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Notes to Consolidated Financial Statements

March 31, 2023

20. Contingent Asset

Biigtigong Nishnaabeg has a claim of Aboriginal Rights and Title against The Crown in Right of Canada and Ontario, as well as compensation for breach of those rights. The amount of the settlement of the claim cannot be estimated at this time. Realization of this asset is dependent upon the outcome of the claim and as a result, a contingent asset has not been recorded in these financial statements.

21. Contaminated Sites

PSAB 3260.08 states that a liability for contaminated sites should be recognized when all of the following criteria have been met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the government is directly responsible or accepts responsibility
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

As at March 31, 2023, the First Nation has not identified any circumstances where it is directly responsible, accepted responsibility or expects that future economic benefits will be given up to address contaminated sites. Consequently no liability has been accrued in these financial statements.

22. Budgeted Figures

Budget figures have been provided for comparison purposes and have been derived from estimates approved by Chief and Council for the year ended March 31, 2023. The First Nation prepares its budget on a program by program basis. The following is a summary of the approved budget surplus (deficits) per program area for the year ended March 31, 2023:

Administration	\$ (38,247)
Education	(98,980)
Social Services	9,896
Health Services	(19,306)
Capital Projects	132,289
Economic Development	100,000
Energy and Forestry	-
 Budget surplus, for the year	 \$ 85,652

23. Comparative Figures

Certain comparative figures presented in the accompanying consolidated financial statements have been reclassified to conform with the current year's presentation.

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Notes to Consolidated Financial Statements

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24. Government Transfers

	Operating	Capital	2023 Total	Operating	Capital	2022 Total
Federal						
ISC	\$23,978,259	\$ -	\$ 23,978,259	\$ 3,901,457	\$ 3,758,548	\$ 7,660,005
CMHC	-	224,119	224,119	-	220,851	220,851
PC	74,104	-	74,104	-	-	-
ESDC	48,715	-	48,715	24,773	-	24,773
FO	87,255	-	87,255	317,304	-	317,304
CEAA	96,165	-	96,165	279,610	-	279,610
ECCC	74,990	-	74,990	-	-	-
	\$24,359,488	\$ 224,119	\$ 24,583,607	\$ 4,523,144	\$ 3,979,399	\$ 8,502,543
Provincial						
MAA	\$ 1,268,694	\$ -	\$ 1,268,694	\$ 1,095,440	\$ -	\$ 1,095,440
MCCSS	382,628	-	382,628	1,049,641	-	1,049,641
MOH	129,514	-	129,514	137,799	-	137,799
FEDNOR	499,999	-	499,999	-	-	-
MED	678,284	-	678,284	-	-	-
MNR	56,957	-	56,957	-	-	-
MTO	42,550	-	42,550	51,239	-	51,239
IO	-	-	-	1,738,116	-	1,738,116
OLS	14,249	-	14,249	14,249	-	14,249
MOE	67,772	-	67,772	-	-	-
	\$ 3,140,647	\$ -	\$ 3,140,647	\$ 4,086,484	\$ -	\$ 4,086,484

ISC = Indigenous Services Canada

CMHC = Canadian Mortgage and Housing Corporation

PC = Parks Canada

ESDC = Employment & Social Development Canada

CEAA = Canadian Environmental Assessment Agency

IO = Infrastructure Ontario

MAA = Ministry of Aboriginal Affairs

MCCSS = Ministry of Children, Community and Social Services

MOH = Ministry of Health

MOE = Ministry of Environment

MED = Ministry of Education

ECCC = Environment and Climate Change Canada

MNR = Ministry of Natural Resources and Forestry

MTO = Ministry of Transportation

OLS = Ontario Library Services

FO = Fisheries and Oceans

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

25. Financial Instruments

The First Nation is exposed to credit risk, liquidity risk and interest rate risk from its financial instruments. This note describes the First Nation's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for another party by failing to discharge an obligation. The First Nation is exposed to credit risk from its accounts receivable, due from government and due from band members and employees balances. The First Nation mitigates its potential credit risk through proactive credit management policies that include approval and monitoring processes. Furthermore, it evaluates the collectability of accounts receivable and records an impairment allowance for doubtful accounts, which reduces the receivables to the amount management believes will be collected. At year end, The First Nation's accounts receivable due from government, and due from band members and employees are as follows: current \$11,711,170 (2022 - \$4,658,677), 31 to 60 days \$189,024 (2022 - \$77,459), 61 to 90 days \$7,250 (2022 - \$12,328), and over 90 days \$937,395 (2022 - 256,399).

The First Nation is exposed to a credit risk as cash balances held with one institution exceeds the federally insured limit.

There have not been any changes from the prior year in the First Nation's exposure to credit risk or the policies, procedures and methods it uses to manage and measure the risk.

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation is exposed to liquidity risk through its accounts payable, due to government organizations and demand and term loans. The First Nation manages its liquidity risk by monitoring cash activities and expected outflows through budgeting. The First Nation measures its exposure to liquidity risk based on its cash flow activities against budget throughout the year. At year end, the First Nation's accounts payable and accrued liabilities and due to government organizations are as follows: within 6 months \$5,339,580 (2022 - \$2,574,489), and over 1 year \$1,888,473 (2022 - \$449,882).

There have not been any changes from the prior year in the First Nation's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The First Nation is exposed to interest rate risk through its long-term debt and operating lines.

The First Nation manages its interest rate risk by utilizing fixed-rate debt in order to limit the exposure to fluctuations in interest rates. Any changes in interest rates would not impact the annual surplus.

There have not been any changes from the prior year in the First Nation's exposure to interest rate risk or the policies, procedures and methods it uses to manage and measure the risk.

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

26. Segmented Information

Biigtigong Nishnaabeg is a diversified government institution that provides a wide range of services to its members, including administration, medical and other health services, education, capital, infrastructure maintenance and other services. For management reporting purposes the First Nation's operations and activities are organized and reported by department. Departments were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations.

Services are provided by several departments and their activities are reported in these departments. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

Administration

The Administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities of Chief and Council.

Education

The Education department provides public services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department provides sponsorship to students attending post secondary institutions.

Social Services

Social Services administers assistance payments as well as providing services directed towards members.

Health Services

Health Services contains activities that provide medical services to band members. Furthermore, the community wellness department provides a diverse bundle of services directed towards transportation, pre-natal and early childhood care, nursing, health representation, traditional healing, family violence prevention and many other smaller programs designed to enhance the health of members.

Capital Projects

Capital Projects contains all activities that relate to the maintenance of the First Nation's buildings and land and the provision of housing and repairs and maintenance to First Nation members' housing.

Economic Development

The Economic Development department provides a wide array of activities to further support the development and progressively enhance the First Nation's economy and community.

Energy and Forestry

Energy and Forestry contains all activities that relate to the management of the First Nation's power production investments and forestry.

For each reported segment, revenues and expenses include 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, including transfers that have been appointed based on a percentage of budgeted expenses.

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

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

March 31, 2023

26. Segmented Information (cont'd)

For the year ended March 31, 2023	Administration	Education	Social Services	Health Services	Capital Projects	Economic Development	Energy and Forestry	Total
Revenue								
Federal Transfers	\$ 2,570,962	\$ 246,883	\$ 767,697	\$ 2,980,717	\$ 17,712,824	\$ 304,524	\$ -	\$ 24,583,607
Provincial Transfers	1,398,455	733,933	336,196	129,514	542,549	-	-	3,140,647
Ontario First Nations Limited Partnership	736,431	-	-	-	-	-	-	736,431
Other	3,761,801	4,244,995	357,006	740,115	41,543	57,499	3,862,110	13,065,069
Rent	-	13,380	-	-	367,783	-	-	381,163
	8,467,649	5,239,191	1,460,899	3,850,346	18,664,699	362,023	3,862,110	41,906,917
Earnings from government business enterprises	-	-	-	-	-	-	2,722,311	2,722,311
Total Revenue	\$ 8,467,649	\$ 5,239,191	\$ 1,460,899	\$ 3,850,346	\$ 18,664,699	\$ 362,023	\$ 6,584,421	\$ 44,629,228
Expenses								
Advertising and promotion	\$ 4,259	\$ -	\$ -	\$ 5,293	\$ 310	\$ -	\$ 16,742	\$ 26,604
Amortization	34,234	58,812	15,975	129,777	761,046	9,394	235,567	1,244,805
Bad debts	43,965	-	-	-	-	-	-	43,965
Community projects	65,742	50,094	-	17,504	-	4,222	-	137,562
Contracts	232,655	533,528	18,772	193,221	576,156	18,836	532,524	2,105,692
Donations	41,675	-	-	10,000	-	-	13,765	65,440
Dues, fees and licenses	23,540	27,909	17,239	9,362	1,595	2,471	1,271	83,387
Equipment	37,803	-	41,295	5,519	83,700	685	-	169,002
Graduation expense	-	10,157	-	180	-	-	-	10,337
Honoraria	203,463	57,189	7,800	1,670	200	-	35,750	306,072
Insurance	50,648	22,319	739	5,602	98,717	1,113	139,905	319,043
Interest and bank charges	149,601	-	-	-	-	-	30,902	180,503
Interest on long term debt	-	-	-	-	32,576	-	-	32,576
Internet	3,003	-	-	-	-	-	-	3,003
Meals and entertainment	461	-	-	-	-	-	660	1,121
Miscellaneous	37,215	24,304	-	-	75	-	28,155	89,749
Office	14,110	9,493	-	9,573	10,144	-	17,478	60,798
Professional services	3,138,492	63,618	-	236,361	99,154	48,196	51,095	3,636,916
Program expense	1,047,920	124,619	252,921	1,072,762	57,034	15,338	239,596	2,810,190
Repairs and maintenance	4,443	60,616	-	7,304	13,908	-	259,119	345,390
Replacement reserve expenses	-	-	-	-	5,750	-	-	5,750
Social assistance	-	790	349,406	-	-	-	-	350,196
Student board, lodging and tuition	960	1,272,199	-	370	-	-	-	1,273,529
Supplies	78,859	460,077	24,902	231,237	128,655	3,449	150,611	1,077,790
Telephone	31,773	5,454	2,862	8,165	12,432	-	17,077	77,763
Training	2,967	21,550	7,972	24,274	3,165	8,671	36,314	104,913
Travel	131,987	46,713	45,160	80,251	8,990	10,148	36,982	360,231
Utilities	42,003	68,948	1,841	2,647	108,469	-	32,292	256,200
Vehicle	2,067	10,252	4,648	25,610	3,141	-	423,471	469,189
Wages and benefits	1,198,712	2,122,860	432,573	1,350,794	454,646	285,946	1,431,418	7,276,949
Total Expenses	\$ 6,622,557	\$ 5,051,501	\$ 1,224,105	\$ 3,427,476	\$ 2,459,863	\$ 408,469	\$ 3,730,694	\$ 22,924,665

Biigtigong Nishnaabeg
Notes to Consolidated Financial Statements

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26. Segmented Information (cont'd)

For the year ended March 31, 2022	Administration	Education	Social Services	Health Services	Capital Projects	Economic Development	Energy and Forestry	Total
Revenue								
Federal Transfers	\$ 1,327,722	\$ 136,396	\$ 514,795	\$ 2,191,114	\$ 3,852,725	\$ 479,791	\$ -	\$ 8,502,543
Provincial Transfers	1,057,328	746,743	317,147	175,911	1,789,355	-	-	4,086,484
Ontario First Nations Limited Partnership	519,771	-	-	-	-	-	-	519,771
Other	2,337,474	4,010,810	229,410	367,379	216,539	111,443	2,577,858	9,850,913
Rent	-	13,380	-	-	382,721	-	-	396,101
	5,242,295	4,907,329	1,061,352	2,734,404	6,241,340	591,234	2,577,858	23,355,812
Earnings (loss) from government business enterprises	-	-	-	-	-	-	(1,732,994)	(1,732,994)
Total Revenue	\$ 5,242,295	\$ 4,907,329	\$ 1,061,352	\$ 2,734,404	\$ 6,241,340	\$ 591,234	\$ 844,864	\$ 21,622,818
Expenses								
Advertising and promotion	\$ 3,907	\$ 61	\$ 70	\$ 8,401	\$ 262	\$ -	\$ 7,035	\$ 19,736
Amortization	24,658	58,812	8,057	98,124	760,265	9,394	158,392	1,117,702
Bad debts	35,957	-	-	-	-	-	-	35,957
Community projects	23,912	64,646	-	-	-	-	-	107,426
Contracts	196,099	345,368	9,146	152,111	484,646	4,993	-	1,204,218
Donations	158,309	-	-	20,000	-	-	125,000	303,309
Dues, fees and licenses	18,632	18,553	2,556	2,421	1,528	3,458	1,877	49,025
Equipment	38,663	21,126	9,888	(143)	-	17,693	400,605	487,832
Graduation expense	-	3,980	-	-	-	-	-	3,980
Honoraria	185,235	40,575	940	1,648	-	8,481	39,750	276,629
Insurance	62,719	20,725	639	7,263	85,093	1,093	107,709	285,241
Interest and bank charges	108,337	-	-	-	-	-	1,511	109,848
Interest on long term debt	-	-	-	-	35,993	-	44,950	80,943
Internet	1,387	10,720	-	-	-	-	-	12,107
Loss on Disposal	125,080	-	-	-	-	-	-	125,080
Miscellaneous	(149)	32	546	-	-	-	18,419	18,848
Office	12,122	13,205	200	637	9,903	-	88,613	124,680
Professional services	1,859,813	34,861	-	71,663	170,452	160,089	62,444	2,359,322
Program expense	166,272	119,936	229,822	373,821	49,246	43,471	60,836	1,043,404
Repairs and maintenance	3,798	6,996	-	15,091	28,979	-	237,091	291,955
Replacement reserve expenses	-	-	-	626	14,603	-	-	15,229
Resource materials	-	-	-	189	-	-	-	189
Social assistance	2	-	381,905	-	-	-	-	381,907
Student board, lodging and tuition	967	1,335,349	-	-	-	-	-	1,336,316
Supplies	80,084	470,941	34,398	301,445	148,798	17,265	40,857	1,093,788
Telephone	24,060	6,695	1,992	5,868	12,700	926	14,427	66,668
Traditional fees	-	700	-	5,696	-	-	-	6,396
Training	10,551	14,183	8,940	21,884	-	6,625	46,468	108,651
Travel	16,314	38,519	3,118	23,533	2,566	4,773	34,539	123,362
Utilities	20,253	54,020	1,890	-	133,628	-	11,295	221,086
Vehicle	509	2,980	465	17,088	1,422	1,456	159,979	183,899
Wages and benefits	946,408	1,821,654	313,421	1,028,671	573,527	261,659	1,234,420	6,179,760
Total Expenses	\$ 4,123,899	\$ 4,504,637	\$ 1,007,993	\$ 2,156,037	\$ 2,513,611	\$ 560,244	\$ 2,908,072	\$ 17,774,493