

Bingwi Neyaashi Anishinaabek
Consolidated Financial Statements
March 31, 2023

Bingwi Neyaashi Anishinaabek

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For the year ended March 31, 2023

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Management's Responsibility

To the Chief and Council and Members of Bingwi Neyaashi Anishinaabek:

The accompanying consolidated financial statements of Bingwi Neyaashi Anishinaabek 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 Bingwi Neyaashi Anishinaabek Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are also responsible for recommending the appointment of the Nation's external auditors.

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

November 9, 2023



Director of Finance

Hélène Demers

To the Chief and Council and Members of Bingwi Neyaashi Anishinaabek:

Opinion

We have audited the consolidated financial statements of Bingwi Neyaashi Anishinaabek and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, change in net financial assets 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, 2023, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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.

Thunder Bay, Ontario

November 9, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Bingwi Neyaashi Anishinaabek
Consolidated Statement of Financial Position

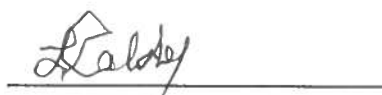
As at March 31, 2023

	2023	2022
Financial assets		
Cash and cash equivalents (Note 4)	4,316,199	3,852,016
Accounts receivable (Note 5)	757,159	362,127
Due from government and other government organizations (Note 6)	1,994,473	755,921
Portfolio investments	-	25,000
Inventory held for resale (Note 7)	809,108	590,130
Investment in government business enterprise (Note 8)	422,786	388,182
	8,299,725	5,973,376
Liabilities		
Accounts payable and accruals (Note 10)	1,136,994	710,740
Due to government and other government organizations (Note 11)	349,807	363,812
Deferred revenue (Note 12)	3,920,940	1,640,841
Due to related First Nation entities (Note 13)	152,608	128,705
Long-term debt (Note 14)	2,491,731	2,680,382
	8,052,080	5,524,480
Net financial assets	247,645	448,896
Contingencies (Note 15)		
Non-financial assets		
Tangible capital assets (Note 16) (Schedule 1)	15,058,576	12,186,955
Prepaid expenses	155,706	119,858
	15,214,282	12,306,813
Accumulated surplus	15,461,927	12,755,709

Approved on behalf of the First Nation



Chief



Councillor



FAC chair

Bingwi Neyaashi Anishinaabek

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2023

	2023 <i>Budget</i>	2023	2022
Revenue			
Indigenous Services Canada (Note 17)	3,816,791	5,927,622	4,239,275
FedNor (Note 17)	1,399,343	1,399,343	104,638
Crown-Indigenous Relations and Northern Affairs Canada (Note 17)	903,609	142,857	137,214
Canada Mortgage and Housing Corporation (Note 17)	1,958,351	154,153	134,845
Ministry of Indigenous Affairs (Note 17)	766,845	766,846	829,318
Ministry of Children, Community and Social Services (Note 17)	342,216	343,206	487,114
Ministry of Northern Development, Mines, Natural Resources and Forestry (Note 17)	-	-	27,500
Natural Resources Canada (Note 17)	33,295	-	200,000
Other government funding	109,199	236,965	122,879
Administration fees	864,967	564,515	412,388
Anishinabek Employment & Training	-	27,160	57,880
First Nations Land Management	-	1,344	184,338
Independent Electricity System Operator	232,500	233,564	50,357
Independent First Nations	186,224	348,060	381,091
Interest income	14,700	36,853	10,458
OFNLP2008	541,064	483,914	337,182
Other revenue	280,780	259,015	269,986
Own Source Revenue	88,509	164,192	135,342
Rental income	48,660	243,307	42,370
Royalties	-	2,336	60,309
Thunder Bay DSSAB	158,108	158,108	157,300
Wood sales	-	203,570	171,123
Recovery of funding	-	51,945	(279,308)
Deferred revenue - prior year (Note 12)	1,319,629	1,640,841	1,706,061
Deferred revenue - current year (Note 12)	-	(3,920,940)	(1,640,841)
	13,064,790	9,468,776	8,338,819

Continued on next page

Bingwi Neyaashi Anishinaabek
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	2023 Budget	2023	2022
<i>(Continued from previous page)</i>	13,064,790	9,468,776	8,338,819
Expenses			
Governance and Administration	1,932,743	2,308,109	1,792,082
Employment, Education and Training	1,026,123	231,051	283,174
Health and Social Services	1,939,322	1,770,753	1,374,643
Planning and Development	3,874,334	2,404,991	1,749,017
COVID-19 Pandemic	61,587	83,283	130,532
	8,834,109	6,798,187	5,329,448
Surplus before other items	4,230,681	2,670,589	3,009,371
Other income (expense)			
Loss on disposal of tangible capital assets	-	-	(209)
Income from investment in government business enterprise	-	35,629	146,032
	-	35,629	145,823
Surplus	4,230,681	2,706,218	3,155,194
Accumulated surplus, beginning of year	-	12,755,709	9,600,515
Accumulated surplus, end of year	-	15,461,927	12,755,709

Bingwi Neyaashi Anishinaabek
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget	2023	2022
Annual surplus	4,230,681	2,706,218	3,155,194
Purchases of tangible capital assets	(4,704,748)	(3,868,303)	(3,689,353)
Amortization of tangible capital assets	-	996,682	633,387
Loss on sale of tangible capital assets	-	-	209
Proceeds on disposal of tangible capital assets	-	-	26,948
	(4,704,748)	(2,871,621)	(3,028,809)
Acquisition of prepaid expenses	-	(35,848)	(65,108)
Increase (decrease) in net financial assets	(474,067)	(201,251)	61,277
Net financial assets, beginning of year	-	448,896	387,619
Net financial assets, end of year	(474,067)	247,645	448,896

The accompanying notes are an integral part of these consolidated financial statements

Bingwi Neyaashi Anishinaabek
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Surplus	2,706,218	3,155,194
Non-cash items		
Amortization	996,682	633,387
Loss on disposal of tangible capital assets	-	209
Income from investment in government business enterprise	(35,629)	(146,032)
	3,667,271	3,642,758
Changes in working capital accounts		
Accounts receivable	(395,033)	(100,758)
Due from government and other government organizations	(1,238,552)	(177,279)
Inventory held for resale	(218,978)	(70,738)
Accounts payable and accruals	427,278	(261,446)
Due to government and other government organizations	(14,005)	317,676
Deferred revenue	2,280,099	(65,220)
Prepaid expenses	(35,848)	(65,108)
Due to related First Nation entities	23,903	39,608
	4,496,135	3,259,493
Financing activities		
Advances of long-term debt	-	619,703
Repayment of long-term debt	(188,649)	(93,688)
	(188,649)	526,015
Capital activities		
Purchases of tangible capital assets	(3,868,303)	(3,689,353)
Proceeds on disposal of tangible capital assets	-	26,948
	(3,868,303)	(3,662,405)
Investing activities		
Proceeds on disposal of portfolio investments	25,000	-
Increase in cash resources	464,183	123,103
Cash resources, beginning of year	3,852,016	3,728,913
Cash resources, end of year	4,316,199	3,852,016

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

1. Operations

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

2. Change in accounting policy

Financial instruments

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

3. Significant accounting policies

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

Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Investments in First Nation partnerships are accounted for using the proportionate consolidation method whereby the First Nation's pro-rata share of the assets, liabilities, revenue and expenses of the First Nation partnership are combined on a line-by-line basis with similar items of the First Nation. Partnerships which meet the definition of a government business partnership are included in the consolidated financial statements on a modified equity basis.

Under the modified equity basis of accounting, only the First Nation's investment in government business enterprises/partnerships and the enterprises'/partnerships' net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from the First Nation.

Organizations consolidated in the First Nation's consolidated financial statements include:

- Papasay Management Corporation
- Papasay Value Added Wood Products Ltd.
- Papasay Value Added Wood Products LP
- 2626189 Ontario Ltd.

Organizations accounted for on a modified equity basis include:

- Papasay Management Limited Partnership

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

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments that are cashable or have maturities of three months or less subsequent to year-end.

Portfolio investments

Portfolio investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Expense allocation

Certain expenses which pertain to the operations as a whole have been allocated to various programs at the discretion of Chief and Council.

Inventory for resale

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Tangible capital assets

Tangible capital assets are initially recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the First Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Assets under construction are not amortized until the asset is available to be put into service.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	30 years
Equipment	straight-line	5 years
Infrastructure	straight-line	30 years
Computer hardware and software	straight-line	3 years
Heavy equipment	straight-line	7 years
Automobiles	straight-line	7 years
Leasehold improvements	straight-line	2 years

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

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 amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

Administration fees

It is the First Nation's policy to allocate certain administrative costs to the various programs. Such allocations are recorded as administration recovery revenue under Government and Administration on the consolidated schedule of revenue and expenses and surplus (deficit).

Employee future benefits

The First Nation's employee future benefit program consists of a defined contribution plan. The First Nation contributions to the defined contribution plan are expensed as incurred.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

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

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the services performed is deferred and recognized when the fee is earned or service performed.

Interest and investment income is recognized as revenue when earned.

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

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.

Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end. Deferred revenue is estimated based on management's review of revenue received, but unspent at year-end.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Segments

The First Nation conducts its business through five reportable segments: Governance and Administration; Employment, Education and Training; Health and Social Services; Planning and Development; Own Source Revenue and COVID-19 Pandemic. 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 Note 3.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the consolidated statement of operations and accumulated surplus. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers recent collection experience for the asset such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations and accumulated surplus. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

4. Cash and cash equivalents

	2023	2022
Operating accounts	3,299,410	2,827,413
Guaranteed Income Certificates (one year, cashable, earning 4.8% interest)	1,000,000	1,016,949
CMHC Replacement Reserve (restricted)	16,748	7,613
Funds held in trust with Indigenous Services Canada	41	41
	4,316,199	3,852,016

5. Accounts receivable

	2023	2022
Members receivable	3,229	-
Interest receivable	18,263	2,647
Trade receivables	735,667	365,557
	757,159	368,204
Less: allowance for doubtful accounts	-	6,077
	757,159	362,127

6. Due from government and other government organizations

	2023	2022
Federal Government		
Indigenous Services Canada	1,359,800	132,902
Canada Revenue Agency - HST recoverable	163,991	260,171
Canada Mortgage and Housing Corporation	5,306	32,689
Crown-Indigenous Relations and Northern Affairs Canada	142,857	-
Employment and Social Development Canada	-	22,500
FedNor	69,446	-
Natural Resources Canada	10,000	10,000
	1,751,400	458,262
Provincial Government		
Ministry of Children, Community and Social Services	64,475	64,485
Ministry of Indigenous Affairs	171,469	205,674
Ministry of Health and Long-Term Care	7,129	-
Ministry of Northern Development, Mines, Natural Resources and Forestry	-	27,500
	243,073	297,659
	1,994,473	755,921

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

7. Inventory held for resale

	2023	2022
Raw materials inventory	260,257	-
Finished goods	133,523	132,814
Aggregate	415,328	457,316
	809,108	590,130

The cost of inventories recognized as an expense (recovery) and included in materials amounted to \$91,512 (2022 - (\$6,015)).

8. Investment in government business enterprise

The First Nation has an investment in the following entity:

		2023
	<i>Investment cost</i>	<i>Net advances and cumulative share of earnings</i>
		<i>Total investment</i>
First Nation Business Entities - Modified Equity:		
Papasay Management Limited Partnership	100	422,686
		422,786

Summary financial information for the government business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

Papasay Management Limited Partnership	<i>As at March 31, 2023 (Unaudited)</i>	<i>As at March 31, 2022 (Unaudited)</i>
Assets		
Cash	79,094	141,235
Accounts receivable	89,891	156,067
Prepaid expenses	374	374
Investments	1,426	1,426
Due from related parties	191,772	91,236
Property, plant and equipment	101,274	58,782
Total assets	463,831	449,120
Liabilities		
Accounts payable and accruals	47,122	65,375
Total liabilities	47,122	65,375
Partners' Capital	416,709	383,745
Total revenue	195,557	214,519
Total expenses	159,568	82,317
Net income	35,989	132,202

Papasay Management Limited Partnership holds investments in partnerships and provides contracting equipment and labour services.

9. Lines of credit

The First Nation has a Royal Bank operating line of credit with a limit of \$150,000. The line of credit bears interest at prime plus 1.45% (effective interest rate of 8.15%; 2022 - 4.15%) and is secured by a general security agreement. As at March 31, 2023, the First Nation has a balance available on the line of credit of \$150,000 (2022 - \$150,000).

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. Accounts payable and accruals

	2023	2022
Trade payables	902,147	532,038
Wages, vacation and benefits payable	159,637	95,983
Holdbacks payable	75,210	82,719
	1,136,994	710,740

11. Due to government and other government organizations

	2023	2022
Federal Government		
Canada Revenue Agency - payroll deductions	70,499	39,398
Indigenous Services Canada	279,308	324,414
	349,807	363,812

12. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Indigenous Services Canada	1,204,268	4,008,568	1,670,064	3,542,772
Independent First Nations	296,623	322,835	358,036	261,422
FedNor	-	900,000	786,177	113,823
Natural Resources Canada	139,950	-	139,950	-
Other	-	29,480	26,557	2,923
	1,640,841	5,260,883	2,980,784	3,920,940

13. Related party transactions

During the year, the First Nation conducted the following transactions with related entities. The transactions were recorded at the exchange amount at the date of transaction.

	2023	2022
Repairs and maintenance expense from Papasay Management Limited Partnership, a controlled First Nation business enterprise.	5,400	5,400

Amounts due to/from related First Nation entities are as follows:

	2023	2022
Due to:		
Papasay Management Limited Partnership, a government business enterprise. The advance bears no interest and has no fixed terms of repayment.	152,608	128,542
Wawasum Group Limited, a portfolio investment. The advance bears no interest and has no fixed terms of repayment.	-	163
	152,608	128,705

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

14. Long-term debt

	2023	2022
CMHC term loan, repayable in monthly instalments of \$5,359 including interest at 1.72%, maturing March 2025. Secured by a ministerial guarantee from Indigenous Services Canada.	696,981	748,852
BMO term loan, repayable in monthly principal plus interest instalments of \$1,979, bearing interest at prime plus 1.65% (4.35% per annum at year-end, 2022 - 4.10%), maturing August 2025 and secured by land and building having a net book value of \$500,963.	271,146	294,896
RBC term loan, repayable in monthly instalments of \$2,865 including interest at prime plus 1.65% (4.35% per annum at year-end; 2022 - 4.10%), maturing April 2023 and secured by land and building having a net book value of \$414,766.	268,770	288,291
CMHC term loan, repayable in monthly instalments of \$5,216 including interest at 1.12%, maturing October 2026. Secured by a ministerial guarantee from Indigenous Services Canada.	788,422	841,875
NADF non-interest bearing loan, repayable in monthly instalments of \$833 beginning April 2022 and maturing March 2025.	5,833	30,000
NADF loan, repayable in monthly instalments of \$784 including interest at 5.0%, beginning April 2022 and maturing March 2025.	17,167	25,000
NADF non-interest bearing loan, repayable in monthly instalments of \$278 beginning April 2022 and maturing March 2025.	1,944	10,000
CMHC term loan, not fully advanced, terms of repayment to be determined. Secured by a ministerial guarantee from Indigenous Services Canada.	441,468	441,468
	2,491,731	2,680,382

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:

	Principal
2024	166,887
2025	161,749
2026	158,242
2027	159,447
2028	162,345
	808,670
Thereafter	1,683,061

Interest on long-term debt amounted to \$57,965 (2022 - \$44,471).

Bingwi Neyaashi Anishinaabek
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

15. Contingencies

The First Nation has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of these agreements.

In addition, in the normal course of operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur. To the extent that the future event is likely to occur, and a reasonable estimate of loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's consolidated financial statements. As of March 31, 2023, the First Nation is involved in a dispute over the legal ownership of certain property. The effects of any contingent claims relating to this dispute are not determinable at the date of this report and no liability has been recorded.

16. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Buildings includes the construction of three CMHC funded homes with a carrying value of \$922,905 (2022 - \$812,600). Infrastructure includes charging infrastructure with a carrying value of \$106,800 (2022 - \$Nil). No amortization of these assets has been recorded during the year because they are currently under construction.

The First Nation holds works of art, historical documents and artifacts which have historical and cultural value, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

17. Government transfers

	<i>Operating</i>	<i>Capital</i>	<i>2023 Total</i>	<i>2022 Total</i>
Federal government transfers				
Indigenous Services Canada	3,747,297	2,180,325	5,927,622	4,239,275
CIRNAC	142,857	-	142,857	137,214
Natural Resources Canada	-	-	-	200,000
FedNor	499,343	900,000	1,399,343	104,638
Canada Mortgage and Housing Corporation	154,153	-	154,153	134,845
	4,543,650	3,080,325	7,623,975	4,815,972
Provincial government transfers				
Ministry of Children, Community and Social Services	343,206	-	343,206	487,114
Ministry of Indigenous Affairs	766,846	-	766,846	829,318
Ministry of Northern Development, Mines, Natural Resources and Forestry	-	-	-	27,500
Ministry of Health	97,774	-	97,774	85,635
	1,207,826	-	1,207,826	1,429,567
	5,751,476	3,080,325	8,831,801	6,245,539

18. Defined benefit and contribution plans and other post-employment benefits

Defined contribution pension plan

The First Nation has a defined contribution pension plan covering all elected officials and employees. The amount of retirement benefit to be received by the officials and employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. The First Nation contributions and corresponding expense totalled \$74,501 in 2023 (2022 - \$66,200).

19. Segments

The First Nation has five reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Governance and Administration - This segment provides oversight of the First Nation and administrative activities that are needed to operate the First Nation.

Employment, Education and Training - This segment focuses on the improvement and development of general and employment skills of the First Nation's members which includes recreational or cultural programming and career development programs.

Health and Social Services - This segment provides public health services to improve the overall health of the population and overcome health inequalities.

Planning and Development - This segment represents all activities that provide economic and infrastructure support for the First Nation.

COVID-19 Pandemic - This segment represents all activities related to services and supports relating to funding provided for the purposes of fighting and preventing COVID-19.

20. Economic dependence

Bingwi Neyaashi Anishinaabek receives a significant portion of its revenue from Indigenous Services Canada as a result of Treaties entered into with the Government of Canada. These Treaties are administered by Indigenous Services Canada 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.

21. Comparative figures

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

22. Budget information

The disclosed budget information has been approved by the Chief and Council of Bingwi Neyaashi Anishinaabek. The budget was prepared on an unconsolidated basis and, as a result, does not include the activity of the consolidated entities.

23. 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 Indigenous Services Canada by July 29, 2023. 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.

24. Financial Instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through entering into fixed rate debt whenever possible.

The First Nation is exposed to interest rate risk with respect to its long-term debt which is at fixed rates from 1.12% to 1.72% and floating rates of prime plus 1.65%.

Interest rate risk sensitivity analysis

The First Nation has determined that its interest rate risk exposure on its long-term debt is not significant to these consolidated financial statements.

Bingwi Neyaashi Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2023

	<i>Automobiles</i>	<i>Equipment</i>	<i>Computer hardware</i>	<i>Computer software</i>	<i>Land</i>	<i>Infrastructure</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	369,182	1,042,554	95,132	26,121	1,444,168	3,732,580	6,709,737
Acquisition of tangible capital assets	25,999	792,662	28,019	29,183	429,920	1,435,791	2,741,574
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	395,181	1,835,216	123,151	55,304	1,874,088	5,168,371	9,451,311
Accumulated amortization							
Balance, beginning of year	166,460	618,829	76,091	25,435	-	428,452	1,315,267
Annual amortization	47,413	377,556	19,425	10,414	-	168,719	623,527
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	213,873	996,385	95,516	35,849	-	597,171	1,938,794
Net book value of tangible capital assets	181,308	838,831	27,635	19,455	1,874,088	4,571,200	7,512,517
Net book value of tangible capital assets	202,722	423,725	19,041	686	1,444,168	3,304,128	5,394,470

2022

Bingwi Neyaashi Anishinaabek
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Subtotal</i>	<i>Buildings</i>	<i>Leasehold improvements</i>	<i>Heavy equipment</i>	<i>2023 Total</i>	<i>2022 Total</i>
Cost						
Balance, beginning of year	6,709,737	6,856,452	680,714	197,147	14,444,050	10,815,228
Acquisition of tangible capital assets	2,741,574	1,022,127	70,102	34,500	3,868,303	3,689,353
Disposal of tangible capital assets	-	-	-	-	-	(60,531)
Balance, end of year	9,451,311	7,878,579	750,816	231,647	18,312,353	14,444,050
Accumulated amortization						
Balance, beginning of year	1,315,267	719,116	145,459	77,253	2,257,095	1,657,082
Annual amortization	623,527	256,388	79,667	37,100	996,682	633,387
Accumulated amortization on disposals	-	-	-	-	-	(33,374)
Balance, end of year	1,938,794	975,504	225,126	114,353	3,253,777	2,257,095
Net book value of tangible capital assets	7,512,517	6,903,075	525,690	117,294	15,058,576	12,186,955
	2022					
Net book value of tangible capital assets	5,394,470	6,137,336	535,255	119,894	12,186,955	

Bingwi Neyaashi Anishinaabek
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2023

	2023 <i>Budget</i>	2023	2022
Consolidated expenses by object			
Administration	619,411	547,205	412,388
Advertising	10,312	19,575	17,514
Amortization	-	996,682	633,387
Bad debts	-	-	58,095
Band support	270,828	272,823	165,510
Bank charges and interest	3,000	10,301	15,096
Honouraria	212,023	375,959	299,263
Insurance	30,499	121,628	97,625
Interest on long-term debt	-	57,965	44,471
Materials	-	91,512	(9,142)
Occupancy costs	431,382	272,264	71,019
Office supplies and expenses	721,020	266,697	216,039
Professional development	183,037	63,386	29,234
Professional fees	3,626,113	1,292,649	1,021,035
Program expense	544,641	240,436	372,817
Property tax	-	34,738	13,529
Repairs and maintenance	9,896	92,841	43,000
Salaries and benefits	2,010,711	1,821,785	1,650,411
Travel and meetings	160,436	165,075	135,472
Utilities	800	54,666	42,685
	8,834,109	6,798,187	5,329,448

Bingwi Neyaashi Anishinaabek
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2023

	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Current Surplus (Deficit)</i>
Governance and Administration	175,230	1,683,040	1,858,270	2,308,109	(449,839)
Employment, Education and Training	1,065,058	(680,410)	384,648	231,051	153,597
Health and Social Services	1,101,869	1,009,738	2,111,607	1,770,753	340,854
Planning and Development	3,543,593	1,222,613	4,766,205	2,404,991	2,361,214
COVID-19 Pandemic	41,872	332,669	374,541	83,283	291,258
Total	5,927,622	3,567,650	9,495,271	6,798,187	2,697,084

Bingwi Neyaashi Anishinaabek
Schedule 4 - Consolidated Schedule of Revenue and Expenses
Governance and Administration

For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	175,230	474,897
Ministry of Indigenous Affairs	681,846	599,799
Canada Mortgage and Housing Corporation	8,984	-
Additional government funding	32,612	1,465
CIRNAC	142,857	-
Other revenue	23,782	13,421
Investment income	2,063	58,987
Independent First Nations	3,257	-
Independent Electricity System Operator	1,064	-
First Nations Land Management	1,044	-
Rental income	1,940	53
Interest income	32,957	9,728
Administration fees	555,380	412,388
Recovery (repayment) of funding	51,945	(279,308)
OFNLP2008	2,850	-
Own Source Revenue	102,720	59,222
Anishinabek Employment & Training	2,110	1,330
Deferred revenue - prior year	-	300,023
	1,822,641	1,652,005
Expenses		
Administration	73,760	39,370
Advertising	12,064	3,653
Amortization	678,239	514,373
Band support	11,579	3,924
Bank charges and interest	6,446	8,318
Honouraria(um)	200,564	178,494
Insurance	33,983	51,804
Occupancy costs	58,224	5,261
Office supplies and expenses	138,437	53,382
Professional development	7,285	4,533
Professional fees	592,495	517,533
Program expense	1,176	9,002
Repairs and maintenance	9,356	9,360
Salaries and benefits	444,941	330,339
Travel and meetings	38,166	62,736
Utilities	1,394	-
	2,308,109	1,792,082
Deficit before other items	(485,468)	(140,077)
Other income (expense)		
Gain (loss) on disposal of capital assets	-	(209)
Income from investment in government business enterprise	35,629	146,032
	35,629	145,823
Surplus (deficit)	(449,839)	5,746

Bingwi Neyaashi Anishinaabek
Schedule 5 - Consolidated Schedule of Revenue and Expenses
Employment, Education and Training
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	1,065,058	185,524
Canada Mortgage and Housing Corporation	-	36,510
Additional government funding	74,535	13,279
Other revenue	11,300	27,700
Independent First Nations	2,379	-
Own Source Revenue	7,900	225
Anishinabek Employment & Training	250	56,550
Deferred revenue - prior year	131,587	62,859
Deferred revenue - current year	(908,361)	(131,587)
	384,648	251,060
Expenses		
Administration	7,237	7,656
Advertising	2,000	5,638
Band support	55,194	20,514
Bank charges and interest	-	501
Honouraria(um)	1,250	35,468
Occupancy costs	26,145	2,949
Office supplies and expenses	3,110	9,595
Professional development	21,750	-
Professional fees	935	3,157
Program expense	771	1,409
Repairs and maintenance	4,947	495
Salaries and benefits	104,022	190,697
Travel and meetings	2,817	5,095
Utilities	873	-
	231,051	283,174
Surplus (deficit)	153,597	(32,114)

Bingwi Neyaashi Anishinaabek
Schedule 6 - Consolidated Schedule of Revenue and Expenses
Health and Social Services
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	1,101,869	2,116,529
MCCSS	343,206	487,114
Ministry of Indigenous Affairs	-	36,200
Additional government funding	97,774	85,635
Other revenue	34,055	-
Independent First Nations	189,625	285,502
Thunder Bay DSSAB	158,108	157,300
Deferred revenue - prior year	326,003	164,495
Deferred revenue - current year	(139,033)	(383,776)
	2,111,607	2,948,999
Expenses		
Administration	172,989	135,924
Advertising	4,105	7,526
Band support	160,145	130,842
Bank charges and interest	302	1,075
Honouraria(um)	104,811	41,246
Insurance	5,818	-
Occupancy costs	111,684	7,027
Office supplies and expenses	40,926	56,927
Professional development	29,027	18,451
Professional fees	65,440	17,534
Program expense	228,693	340,697
Repairs and maintenance	22,941	7,490
Salaries and benefits	773,206	576,442
Travel and meetings	47,400	33,462
Utilities	3,266	-
	1,770,753	1,374,643
Surplus	340,854	1,574,356

Bingwi Neyaashi Anishinaabek
Schedule 7 - Consolidated Schedule of Revenue and Expenses
Planning and Development
For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	3,543,593	1,145,585
Canada Mortgage and Housing Corporation	145,170	98,335
Ministry of Indigenous Affairs	85,000	157,119
MENDM	-	27,500
Natural Resources Canada	-	200,000
Additional government funding	32,044	-
FedNor	1,399,343	104,638
CIRNAC	-	137,214
Other revenue	189,878	228,865
Investment income	273	1,322
Independent First Nations	-	2,510
Independent Electricity System Operator	232,500	50,357
Sales	203,570	171,123
First Nations Land Management	300	184,338
Rental income	241,367	42,317
Interest income	3,895	730
OFNLP2008	481,064	337,182
Own Source Revenue	53,572	75,895
Anishinabek Employment & Training	24,800	-
Administration fees	9,135	-
Deferred revenue - prior year	789,023	1,012,526
Deferred revenue - current year	(2,659,187)	(789,023)
	4,775,340	3,188,533
Expenses		
Administration	278,622	209,994
Advertising	1,406	697
Amortization	318,443	119,014
Bad debts	-	58,095
Band support	16,672	(12)
Bank charges and interest	3,553	5,202
Honouraria(um)	69,335	43,055
Insurance	81,826	45,821
Interest on long-term debt	57,965	44,471
Materials	91,512	(9,142)
Occupancy costs	76,210	55,783
Office supplies and expenses	79,299	96,020
Professional development	5,325	6,000
Professional fees	633,779	417,386
Program expense	1,934	132
Property tax	34,738	13,529
Repairs and maintenance	55,597	25,454
Salaries and benefits	472,951	541,091
Travel and meetings	76,692	33,742
Utilities	49,132	42,685
	2,404,991	1,749,017
Surplus before other items	2,370,349	1,439,516
Allocation to replacement reserve	(9,135)	(7,613)
Surplus	2,361,214	1,431,903

Bingwi Neyaashi Anishinaabek
Schedule 8 - Consolidated Schedule of Revenue and Expenses
COVID-19 Pandemic

For the year ended March 31, 2023

	2023	2022
Revenue		
Indigenous Services Canada	41,872	316,741
Ministry of Indigenous Affairs	-	36,200
Independent First Nations	152,800	93,079
Deferred revenue - prior year	394,228	166,158
Deferred revenue - current year	(214,359)	(336,455)
	374,541	275,723
Expenses		
Administration	14,599	19,443
Band support	29,232	10,243
Honouraria(um)	-	1,000
Office supplies and expenses	4,924	116
Professional development	-	250
Professional fees	-	65,424
Program expense	7,863	21,578
Repairs and maintenance	-	202
Salaries and benefits	26,665	11,841
Travel and meetings	-	437
	83,283	130,534
Surplus	291,258	145,189