

**Garden River First Nation
Consolidated Financial Statements
For the year ended March 31, 2021**

Garden River First Nation
Consolidated Financial Statements
For the year ended March 31, 2021

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Garden River First Nation
Management's Responsibility for Financial Reporting
March 31, 2021

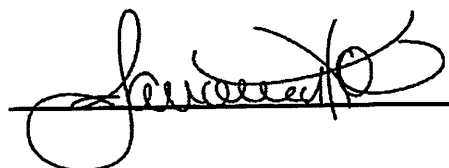
The accompanying consolidated financial statements and supplementary financial information schedules of the Garden River First Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The external auditors, BDO Canada LLP, conduct an audit in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of Garden River First Nation and meet when required.


_____ Chief


_____ Chief Executive Officer



Tel: 705-945-0990
Fax: 705-942-7979
Toll-free: 800-520-3005
www.bdo.ca

BDO Canada LLP
747 Queen Street E
PO Box 1109
Sault Ste. Marie ON P6A 5N7 Canada

Independent Auditor's Report

To the Chief and Council of Garden River First Nation

Opinion

We have audited the consolidated financial statements of Garden River First Nation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2021 and the consolidated statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and its consolidated results of operations, its consolidated changes in net financial assets (debt) and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We were not able to observe the counting of the gravel inventories at the beginning or end of the of the year or satisfy ourselves concerning those inventory quantities by alternative means. Since opening inventories affect the determination of the results of operations and cash flows, we were unable to determine whether adjustments to the results of operations and cash flows might be necessary for 2021, nor were we able to determine the impact on assets. Our audit opinion on the financial statements for the year ended March 31, 2021 is modified accordingly because of the possible effects of this limitation in scope.

The First Nation was unable to provide satisfactory audit evidence with respect to the completeness or existence of hours worked between April 1, 2020 and October 17, 2020 due to a lack of timesheets as a result of a changeover in their payroll system. Accordingly, we were unable to confirm or verify by alternate means that all payroll expenses of the First Nation have been properly recorded for that time period. As a result, we were unable to determine whether any adjustments might be necessary to payroll and accumulated surplus for the year ended March 31, 2021.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report (continued)

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


BDO Canada LLP

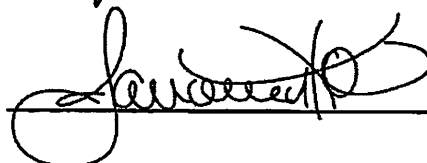
Chartered Professional Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
December 2, 2022

**Garden River First Nation
Consolidated Statement of Financial Position**

March 31	2021	2020
Financial assets		
Cash and short term securities (Note 9)	\$ 24,095,319	\$ 17,619,998
Accounts receivable	5,867,409	4,096,717
Due from the Community Trust (Note 5)	153,106	106,799
Due from Indigenous Services Canada (Note 12)	93,385	101,154
Inventories held for sale	55,555	104,714
Investments in subsidiaries (Note 2)	3,596,215	2,952,061
Trust Funds held by Federal Government (Note 8)	514,981	1,891,231
	34,375,970	26,872,674
Liabilities		
Accounts payable	8,433,378	5,847,759
Due to Province	298,024	104,934
Deferred revenue (Note 3)	8,371,644	5,434,643
Post employment retirement benefits (Note 4)	28,517	28,636
Long term debt (Note 6)	9,874,807	10,312,121
	27,006,370	21,728,093
Net financial assets (debt)	7,369,600	5,144,581
Non-financial assets		
Tangible capital assets (Schedule 1)	26,323,086	25,637,868
Prepaid expenses and inventory of supplies	131,780	185,717
	26,454,866	25,823,585
Accumulated surplus (Note 7)	\$ 33,824,466	\$ 30,968,166

On behalf of Council


_____ Chief


_____ Chief Executive Officer

Garden River First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2021	2020
Revenue			
Indigenous Services Canada	\$ 10,612,992	\$ 15,380,891	\$ 12,528,163
Canada	5,077,588	2,155,795	12,603,470
Ontario	2,639,744	2,829,470	12,526,844
Other Aboriginal organizations	2,785,307	2,930,674	2,811,926
Garden River First Nation trusts	22,660	271,394	239,295
OFNLP	1,323,195	1,488,152	1,516,297
Interest and other revenue	1,876,437	2,567,753	2,206,798
User fees, rental income, sales, fund raising and gravel royalties	17,405,411	9,187,590	15,929,564
FHIT (Note 8)	-	23,750	44,475
	41,743,334	36,835,469	60,406,832
Due (to) from Indigenous Services Canada	-	(7,770)	(53,863)
Due (to) from other funders	-	(208,188)	(16,471)
	41,743,334	36,619,511	60,336,498
Expenses			
Social and family services	4,767,778	4,959,710	4,481,528
Administration, lands and economic development	2,349,272	2,200,719	12,704,603
Education	7,632,516	8,426,695	8,971,063
Operations and maintenance	2,031,363	2,462,974	2,589,099
Housing development	3,470,809	1,783,460	1,715,240
Medical and other health services	4,351,892	4,776,763	4,345,504
Enterprises	15,425,940	8,341,426	15,088,841
Other	1,901,072	1,455,618	1,872,212
	41,930,642	34,407,365	51,768,090
	(187,308)	2,212,146	8,568,408
Annual surplus from enterprises			
Construction Equipment Co. (Sault) Inc.	-	618,168	283,386
2104298 Ontario Inc	-	25,986	24,854
	-	644,154	308,240
Annual surplus	(187,308)	2,856,300	8,876,648
Accumulated surplus, beginning of year	30,968,166	30,968,166	22,091,518
Accumulated surplus, end of year	\$ 30,780,858	\$ 33,824,466	\$ 30,968,166

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

**Garden River First Nation
Consolidated Statement of Change in Net Financial Assets (Debt)**

For the year ended March 31	Budget	2021	2020
Annual surplus	\$ (187,308)	\$ 2,856,300	\$ 8,876,648
Acquisition of tangible capital assets	(596,909)	(2,582,691)	(2,530,916)
Amortization of tangible capital assets	-	1,890,907	1,657,207
Gain or loss on disposal of tangible capital assets	-	6,566	(67,129)
Proceeds on sale of tangible capital assets	-	-	82,000
Prepaid expenses and inventory of supplies	-	53,937	(102)
Net change in net financial assets (debt)	(784,217)	2,225,019	8,017,708
Net financial assets (debt), beginning of year	5,144,581	5,144,581	(2,873,127)
Net financial assets, end of year	\$ 4,360,364	\$ 7,369,600	\$ 5,144,581

**Garden River First Nation
Consolidated Statement of Cash Flows**

For the year ended March 31	2021	2020
Cash flows from operating activities		
Annual surplus	\$ 2,856,300	\$ 8,876,648
Items not involving cash		
Net income - Construction Equipment Co. (Sault) Inc.	(618,168)	(283,386)
Net income - 2104298 Ontario Inc.	(25,986)	(24,854)
Amortization	1,890,907	1,657,207
Gain on disposal of asset	6,566	(67,129)
	<u>4,109,619</u>	<u>10,158,486</u>
Changes in non-cash working capital balances		
Accounts receivable	(1,770,692)	(1,468,335)
Due to/from Indigenous Services Canada	7,769	(162,466)
Inventory for resale	49,159	(55,582)
Due to/from Community Trust	(46,307)	767
Accounts payable	2,778,709	3,325,199
Deferred revenue	2,937,001	2,659,063
Prepaid expenses and inventory of supplies	53,937	(102)
Post retirement benefits	(119)	(126)
Trust Funds held by Federal Government	1,376,250	1,455,524
	<u>9,495,326</u>	<u>15,912,428</u>
Cash flows from capital transactions		
Acquisition of tangible capital assets	(2,582,691)	(2,530,916)
Proceeds from sale of capital assets	-	82,000
	<u>(2,582,691)</u>	<u>(2,448,916)</u>
Cash flows from financing activities		
Bank operating line of credit	-	(121,272)
Long term debt repaid	(437,314)	(532,886)
	<u>(437,314)</u>	<u>(654,158)</u>
Increase in cash	6,475,321	12,809,354
Cash, beginning of year	<u>17,619,998</u>	<u>4,810,644</u>
Cash, end of year	<u>\$ 24,095,319</u>	<u>\$ 17,619,998</u>

Garden River First Nation

Notes to Consolidated Financial Statements

March 31, 2021

1. Summary of significant accounting policies

a) Basis of accounting These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.

b) Reporting entity The Garden River First Nation reporting entity includes the First Nation government and all entities that are controlled by the First Nation.

c) Principles of consolidation All controlled entities are fully consolidated on a line-by-line basis except for 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.

Organizations accounted for on a modified equity basis include:

- 2104298 Ontario Inc.
- Construction Equipment Co. (Sault) Inc.

Under the modified equity method of accounting, only Garden River First Nation's portion of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation, and inter-organizational balances and transactions are not eliminated.

d) Cash and short term securities The First Nation's bank accounts and short term deposit receipts are maintained at two financial institutions.

e) Inventories for resale Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.

f) Tangible capital assets 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 in the year the asset is available for productive use as follows:

Land improvements	15 years
Buildings	20 to 40 years
Infrastructure	15 to 45 years
Vehicles	7 years
Machinery and equipment	10 to 20 years

In the year of acquisition tangible capital assets are amortized at one-half the above rates.

Tangible capital assets under construction, development or that have been removed from service are not amortized until they are available to be put into service.

Garden River First Nation

Notes to Consolidated Financial Statements

March 31, 2021

1. Summary of significant accounting policies (continued)

- g) Pension plan** Garden River First Nation provides a defined contribution plan for its employees. The pension costs are charged to operations as contributions are due. Contributions are a defined amount whereby the employer matches that paid by the employee.
- h) Revenue recognition** Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis.
- 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 external contributor, and are recognized as revenue when used for the specific purpose.
- Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.
- i) Use of estimates** The preparation of 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Investments in subsidiaries

Garden River First Nation accounts for its investments in Construction Equipment Co. (Sault) Inc. and 2104298 Ontario Inc. by the modified equity method. The equity method initially records the investment at cost and then is increased or decreased by the First Nation's pro-rata share of income or loss and is reduced by distributions received.

Garden River First Nation
Notes to Consolidated Financial Statements

March 31, 2021

2. Investments in subsidiaries (continued)

	2021	2020
Construction Equipment Co. (Sault) Inc.:		
Issued common shares - 100	\$ 502	\$ 502
Capital contributions	117,942	117,942
Accumulated surplus	3,040,940	2,422,772
	3,159,384	2,541,216
Advances receivable, interest free	198,052	198,052
	3,357,436	2,739,268
2104298 Ontario Inc.:		
Issued common shares - 1	1	1
Accumulated surplus	221,204	195,218
	221,205	195,219
Advances receivable, interest free	17,574	17,574
	238,779	212,793
	\$ 3,596,215	\$ 2,952,061

Financial information for the year ended March 31, 2021 is as follows:

	Construction Equipment Co. (Sault) Inc - 50%		2104298 Ontario Inc. - 50%	
	2021	2020	2021	2020
Assets	\$ 13,914,370	\$ 11,775,691	\$ 846,258	\$ 851,614
Liabilities and non-controlling interest	7,595,603	6,693,259	403,848	461,176
Revenue	11,252,828	8,436,489	104,805	107,846
Net income (loss)	1,236,335	566,772	51,972	49,707

3. Deferred revenue

	Balance March 31, 2020	Funding Received 2021	Revenue Recognized 2021	Balance March 31, 2021
Indigenous Affairs	\$ 3,450,928	\$ 19,648,545	\$ 15,762,515	\$ 7,336,958
Health Canada	1,230,030	-	1,230,030	-
Province of Ontario	258,322	2,829,470	2,959,645	128,147
North Shore Tribal Council	312,419	2,370,495	2,330,383	352,531
Union of Indians	163,897	785,628	538,741	410,784
Other	19,047	221,225	97,048	143,224
	\$ 5,434,643	\$ 25,855,363	\$ 22,918,362	\$ 8,371,644

Garden River First Nation
Notes to Consolidated Financial Statements

March 31, 2021

3. Deferred revenue (continued)

Deferred revenue by program is as follows:

Social and family support	
Niigaaniin - Administration	\$ 66,603
Ontario Works	12,483
Day Care - Other Activities	410,783
Day Care Transformation	128,147
Administration, lands and economic development	
Aboriginal Community Energy Plan	96,856
Band Support - COVID 19	39,223
Government - Bylaw Process	69,198
Magino Mine	75,000
Education	
Special Education	102,617
New Path Proposals	199,618
Reginal Education Agreements	72,013
Private School	571,118
Mentored Work Experience	453,840
Support & Ancillary	373,723
Jordan's Principal	1,138,345
Health Services	
Health transfer programs	2,129,842
Community based prevention services	36,489
Human Rights Tribunal	256,011
Community Well Being	221,748
Housing	
Housing Capacity - Governance	24,952
Capital Construction	893,801
Planning and Design	657,563
Other	
NSTC Job Training	49,560
NSTC Job Development	223,885
Golf Resorts	
Golf Memberships	59,434
CMHC	8,792
	<u>\$ 8,371,644</u>

**Garden River First Nation
Notes to Consolidated Financial Statements**

March 31, 2021

4. Post employment and retirement benefits

Employees are eligible to participate in a defined contribution pension plan. Employer contributions totaled \$331,094 (2020 - \$291,442) and were fully expensed.

On February 28, 2012 Garden River First Nation approved a retirement policy in recognition of employees hired prior to 1997. The policy allows employees hired before 1997 and who have had no break in employment, may upon meeting specific retirement criteria, become entitled to two week's pay at their current rate, for every continuous year of service prior and up to 1997.

The liability for these accumulated weeks, to the extent that they have vested and could be taken in cash by an employee on retirement amounted to \$28,517 (2020 - \$28,636) at the end of the year.

5. Garden River First Nation Community Trust

The funds are advanced to the First Nation as a beneficiary of the Trust and are subject to the Trust provisions governing the disbursement of such funds.

Garden River First Nation
Notes to Consolidated Financial Statements

March 31, 2021

6. Long term debt

	2021	2020
CMHC rental housing mortgages		
Canada Mortgage and Housing Mortgages, payable in blended monthly payments ranging from \$978 to \$6,087, including interest at various rates from 0.27% to 2.69%, renewals on various dates from 2021 to 2026, secured by Ministerial guarantees by the Indigenous Services Canada	\$ 7,176,603	\$ 7,838,620
Canada Mortgage and Housing, loan advances	628,651	345,773
Bank loans		
Royal Bank term loan, repayable \$824 monthly plus interest at 3.53%, due November 2021	6,504	15,994
Royal Bank term loan, repayable \$12,455 monthly including interest at 4.77%, due September 11, 2022	212,869	348,612
Royal Bank term loan, repayable \$6,280 per month including interest at 3.76%, secured by automotive equipment, due November 2021	51,229	123,184
Royal Bank term loan, repayable \$16,740 monthly including interest at 3.12%, due September 17, 2022	1,324,903	1,479,334
Royal bank line of credit	5,000	-
Royal Bank term loan, repayable \$1,044 monthly including interest at 4.904%, secured by equipment due December 2022	20,959	32,154
Royal Bank demand loan, repayable \$35,735 monthly plus interest at 2.45% due January 2022.	349,442	-
Equipment loans		
Nissan loan, repayable in 60 monthly payments \$540, including interest at 5.79% , secured by equipment	25,656	30,500
Ford loan, repayable \$670 monthly interest free, due April 2022, secured by equipment	8,710	16,751
Ford loan, repayable \$644 monthly including interest, at 0.99%, due April 2025, secured by equipment	32,927	40,289
Ford loan, repayable \$826 monthly including interest, at 0.99%, due April 2024, secured by equipment	31,354	40,910
	\$ 9,874,807	\$ 10,312,121

Interest paid on long term debt during the year amounted to \$177,274 (2020 - \$185,975). Assuming renewal on comparable terms, principal payments required on long term debt for the next five years and thereafter are due as follows:

Year	Amount
2022	\$ 1,421,658
2023	943,977
2024	858,878
2025	869,627
2026	644,140
Thereafter	5,136,527
	\$ 9,874,807

Garden River First Nation
Notes to Consolidated Financial Statements

March 31, 2021

7. Accumulated surplus

	2021	2020
Reserves set aside for specific purposes by Chief and Council:		
Working capital	\$ 5,343,646	\$ 5,343,646
Education - feathers fund	64,377	64,377
GRFN initiatives	7,273	7,273
Post secondary	631,238	482,124
Private school - AIM curriculum	298,070	298,070
Daycare	4,477	4,477
Housing demonstration	67,442	67,442
Lands department	(132,927)	(132,927)
NSTC - MOU	32,978	32,978
Great lakes brushing	48,245	48,245
Economic development - AITC	5,072	5,072
Road capital	9,488	9,488
Community building capital	121,840	121,840
Housing - non-social	31,332	31,332
Food bank / Christmas Cheer	128,461	40,764
Fundraising committee	-	1,317
Gravel operations	-	50,000
OFNLP	751,171	751,171
OFNLP - future generations	281,012	281,012
OFNLP - 2008 Limited partnership agreement	1,679,570	1,220,310
Education capital building	45,044	45,044
Grader operations	10,000	10,000
Community Trust - addition AIM	12,780	12,780
Annual golf classic	11,739	11,739
Western boundary	46,607	46,607
Education vans	147,656	100,754
Lands and trust	67,153	-
Library	14,718	6,551
Public works fleet	140,270	140,270
Membership	22,148	22,148
Forestry preservation	19,188	17,389
School of medicine	20,614	20,614
Niigaaniin van	1,715	1,715
Bingo	36,000	36,000
CHRT	50,752	33,852
Dialysis	74,853	74,853
ONFFS	41,104	41,104
Little NHL	7,973	7,973
National Aboriginal Day	2,100	2,100
Renovations	162,311	162,311
Fire dept fundraising	-	2,300
Ojibway Park	2,951	2,951
Tobacco Distribution	110,095	45,095
Western Boundary Settlement	8,304,918	8,280,318

Garden River First Nation
Notes to Consolidated Financial Statements

March 31, 2021

7. Accumulated surplus (continued)

	2021	2020
Reserve funds:		
Health Canada - moveable asset reserve	323,621	323,621
Canada Mortgage and Housing Corporation	204,024	238,281
Squirrel Island	95,034	95,034
Funds Held in Trust	3,192,132	2,844,311
	22,540,265	21,353,726
Equity in tangible capital assets	16,453,314	15,325,785
General surplus (deficit)	(9,163,484)	(10,341,503)
Equity in enterprises (excludes advances receivable)	3,440,687	2,796,534
Unfunded expenditures to be recovered in future	(114,406)	(164,406)
Community Trust	153,106	106,799
Funds held in trust by Federal Government	514,981	1,891,231
	\$ 33,824,463	\$ 30,968,166
Allocation of annual surplus (deficit):		
Reserves	\$ 1,186,539	\$ 8,849,398
Equity in tangible capital assets	1,127,529	1,433,024
General surplus (deficit)	1,178,022	(307,723)
Equity in enterprises	644,153	308,240
Unfunded expenditures to be recovered in future	50,000	50,000
Community trust reserve	46,307	(767)
Funds held in trust	(1,376,250)	(1,455,524)
	\$ 2,856,300	\$ 8,876,648

Unfunded liabilities to be recovered in future years are as follows:

Public works automotive equipment	\$ 114,406	\$ 164,406
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The Public works automotive equipment amounts are to be recovered from future Public Works contracts and other revenues.

8. Trust Funds held by Federal Government

	March 31, 2020	Additions 2021	Withdrawals 2021	March 31, 2021
Revenue	\$ 356,585	\$ 23,750	\$ -	\$ 380,335
Capital	1,534,646	-	(1,400,000)	134,646
	\$ 1,891,231	\$ 23,750	\$ (1,400,000)	\$ 514,981

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 Section 63 to 69 of the Indian Act.

Garden River First Nation
Notes to Consolidated Financial Statements

March 31, 2021

9. Cash and short term securities

	2021	2020
Cash	\$ 22,217,287	\$ 15,741,966
Short term securities	1,878,032	1,878,032
	\$ 24,095,319	\$ 17,619,998

Cash is represented by deposits at financial institutions and cash amounts on hand at year end.

Short term securities is represented by an investment in guaranteed investment certificates with a maturity dates ranging from August 2021 to September 2021 and an interest rates of 2.12% - 2.19%.

All interest earned from the investments is recorded under the accrual method and is included in interest income.

10. Credit facilities

The First Nation has a \$500,000 operating line of credit bearing interest at prime plus 1%. As at March 31, 2021, a balance of \$5,000 was outstanding on this credit facility.

The First Nation has a \$200,000 operating line of credit for Bingo Hall operations bearing interest at prime plus 1%. As at March 31, 2021, a balance of \$NIL was outstanding on this credit facility.

The First Nation has a \$2,000,000 revolving lease line of credit by way of leases bearing interest at 4%. As at March 31, 2021, a balance of \$421,630 was outstanding on this credit facility.

The above credit facilities and the demand instalment loan are secured by Band Council Resolution, \$300,000 guaranteed investment certificate and a general security agreement constituting a first security interest in all assets of the Borrower except real property.

11. Commitments

The First Nation has entered into agreements to lease office and golf course equipment and solar panels for various periods until 2024. Minimum lease payments for each of the next four years are as follows:

2022	\$	90,788
2023	\$	82,345
2024	\$	30,602
2025	\$	16,185

Garden River First Nation
Notes to Consolidated Financial Statements

March 31, 2021

12. Indigenous Services Canada funding

The Garden River First Nation has a contribution arrangement with Indigenous Services Canada (ISC). The funds are used by the First Nation to administer its operations and provide service to its members in accordance with the terms of the funding arrangement.

The following is a reconciliation of funding provided:

ISC revenue per consolidated statement of operations	\$ 15,380,891
Less: Deferred revenue, beginning of year	(3,069,304)
Add: Deferred revenue, end of year	<u>7,336,958</u>
	<u>\$ 19,648,545</u>
 Indigenous Services Canada funding per confirmation report	 <u>\$ 19,648,545</u>
 Amounts due (to) / from ISC:	
- Tuition - 2014/15 and prior	\$ (44,568)
- Tuition - 2015/16	-
- Tuition - 2017/18	148,973
- Repayable to funder	(5,673)
Homemakers (adult care)	<u>(5,347)</u>
	<u>\$ 93,385</u>

Garden River First Nation Notes to Consolidated Financial Statements

March 31, 2021

13. Youth trust accounts

As part of the Western Boundary Settlement there was a one time "per capita" distribution to the members of \$7,808,195. For those members who were under the age of 18 at the date of distribution, these monies are held by The Garden River First Nation Boundary Claim Settlement until such time as the member reached the age of 18. These monies will be distributed to the members as they achieve the age of 18 at the principal amount plus interest calculated at the bank rate plus one percent.

14. Contingencies

Loan guarantees

The First Nation has an agreement with the Royal Bank under the First Nation on Reserve Loan Program providing for an aggregate credit facility in the amount of \$10,000,000 for qualified members of Garden River First Nation. The First Nation must guarantee the full amount of the loan, however in the event the First Nation transfers for fair market value the building or improvement in respect of which the loan was made and the fair market value is less than the amount paid by the First Nation to the Bank under the guarantee, the Bank shall reimburse to the First Nation 20% of the shortfall as subject to the provisions in the loan agreement. As of March 31, 2021 the First Nation has guaranteed loans in the amount of \$5,209,700.

The First Nation has an agreement with the Bank of Montreal under the First Nation on Reserve Loan Program providing for an aggregate credit facility in the amount of \$3,900,000 and \$250,000 under the First Nation on Reserve Renovation Loan Program for qualified members of Garden River First Nation. As of March 31, 2021 the First Nation has guaranteed loans in the amount of \$2,630,421.

The Garden River First Nation also has guaranteed housing program loans on behalf of various band members and is contingently liable to the Deposit Insurance Corporation of Ontario if band members default. As at March 31, 2021 the balance of loans outstanding is \$260,000.

The First Nation has provided a guarantee in the amount of \$507,500 in favour of the Bank of Montreal on behalf of the Robinson Huron Treaty Ojibewa (Anishinabe). This represents 7% of the total loan of \$7,250,000 being guaranteed by 21 participating First Nation Communities that are settlors and beneficiaries of the Robinson Huron Treaty Trust.

Litigation

Subsequent to year end, Garden River First Nation has successfully defended a defamation claim. The Plaintiff has now appealed the summary judgement decision to the Ontario Court of Appeal. Management believes that GRFN will be successful on the appeal and will not have to pay any damage award or costs to the plaintiff.

There is a claim for a Canada Human Rights tribunal complaint, however the outcome is not presently determinable.

Garden River First Nation Notes to Consolidated Financial Statements

March 31, 2021

15. Segmented information

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

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Social and family services

This department is responsible for administering programs focusing on improving the lives of members and families of the First Nation, including social assistance, funeral and adult care policies, and as well, providing services directed towards members including day care and employment support initiatives.

Administration, lands & trusts and economic development

The administration department oversees the delivery of all governmental 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. In addition, this department includes the governance activities of chief and council. This department also oversees economic development programs within the community.

Education

The education department provides 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 reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

Operations and maintenance

The infrastructure department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

Housing development

This department oversees construction and renovation of housing in the community and as well, operates the CMHC projects and other band-owned homes.

Medical and other health services

The community wellness department provides a diverse bundle of services directed towards the well-being of members including such activities as long term care, medical 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.

Enterprises

Band operated enterprises are activities conducted by the First Nation with the objective of promoting economic self-sufficiency. These activities could include income generated from renting out band-owned equipment, lease income and other projects from time to time.

Other services

The First Nation provides a wide array of other services, including youth employment projects, forestry, library, spiritual, cultural and recreation activities.

Garden River First Nation
Notes to Consolidated Financial Statements

March 31, 2021

15. Segmented information (continued)

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 apportioned based on a percentage of budgeted expenses.

Expenses are grouped based on object. Contracted services include items such as professional fees, telephone, utilities, insurance, repairs and maintenance, advertising and subcontracts. Rentals and financial expenses includes items such as rent, equipment rental and interest and bank charges.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2 - Consolidated Segment Disclosure.

16. Comparative figures

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

17. Budget

The budget adopted by the First Nation was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of reserves to reduce current year expenditures. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense, and expensed principal payments of debt. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the budget adopted by the First Nation with adjustments as follows:

Budget deficit for the year	\$ (1,940,051)
Add:	
Capital expenditures	605,853
Principal portion of loan payments	<u>1,146,890</u>
Budget surplus per statement of operations	<u>\$ (187,308)</u>

Garden River First Nation
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended March 31, 2021

	Land	Land Improve- ments	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 2,666,993	\$ 2,753,744	\$ 28,241,251	\$ 6,997,178	\$ 2,528,240	\$ 11,576,392	\$ 345,773	\$ 55,109,571
Additions	-	-	93,627	96,177	2,110,009	-	282,878	2,582,691
Disposals	-	-	-	-	(30,645)	-	-	(30,645)
Cost, end of year	2,666,993	2,753,744	28,334,878	7,093,355	4,607,604	11,576,392	628,651	57,661,617
Accumulated amortization, beginning of year	-	815,504	13,778,497	4,579,684	1,461,660	8,836,358	-	29,471,703
Amortization	-	74,087	858,881	338,522	405,175	214,242	-	1,890,907
Disposals	-	-	-	-	(24,079)	-	-	(24,079)
Accumulated amortization, end of year	-	889,591	14,637,378	4,918,206	1,842,756	9,050,600	-	31,338,531
Net carrying amount, end of year	\$ 2,666,993	\$ 1,864,153	\$ 13,697,500	\$ 2,175,149	\$ 2,764,848	\$ 2,525,792	\$ 628,651	\$ 26,323,086

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$628,651 (2020 - \$345,773).

The First Nation holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

Garden River First Nation
Schedule 1 - Consolidated Tangible Capital Assets (continued)

For the year ended March 31, 2020 (comparative figures)

	Land	Land Improve- ments	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 2,666,993	\$ 2,753,744	\$ 26,661,386	\$ 5,237,273	\$ 2,227,208	\$ 11,576,392	\$ 1,578,244	\$ 52,701,240
Additions	-	-	16,500	1,814,905	353,738	-	345,773	2,530,916
Disposals	-	-	-	(55,000)	(52,706)	-	(14,879)	(122,585)
Capitalized construction	-	-	1,563,365	-	-	-	(1,563,365)	-
Cost, end of year	<u>2,666,993</u>	<u>2,753,744</u>	<u>28,241,251</u>	<u>6,997,178</u>	<u>2,528,240</u>	<u>11,576,392</u>	<u>345,773</u>	<u>55,109,571</u>
Accumulated amortization, beginning of year	-	741,417	12,943,832	4,353,731	1,243,539	8,639,683	-	27,922,202
Amortization	-	74,087	834,665	280,953	270,827	196,675	-	1,657,207
Disposals	-	-	-	(55,000)	(52,706)	-	-	(107,706)
Accumulated amortization, end of year	<u>-</u>	<u>815,504</u>	<u>13,778,497</u>	<u>4,579,684</u>	<u>1,461,660</u>	<u>8,836,358</u>	<u>-</u>	<u>29,471,703</u>
Net carrying amount, end of year	<u>\$ 2,666,993</u>	<u>\$ 1,938,240</u>	<u>\$ 14,462,754</u>	<u>\$ 2,417,494</u>	<u>\$ 1,066,580</u>	<u>\$ 2,740,034</u>	<u>\$ 345,773</u>	<u>\$ 25,637,868</u>

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from service) is \$345,773 (2019 - \$1,578,244).

The First Nation holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

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

Garden River First Nation
Schedule 2 - Consolidated Schedule of Segment Disclosure

For the year ended March 31, 2021

	Social and Family Services	Administration Lands Trusts & Economic Development	Education	Operations and Maintenance	Housing Development	Medical and Other Health Services	Enterprises	Other	Consolidated Total
Revenue									
Indigenous Services Canada	\$ 1,857,106	\$ 1,257,601	\$ 8,570,684	\$ 1,443,049	\$ 425,737	\$ 1,335,919	\$ 395,280	\$ 95,515	\$ 15,380,891
Canada	-	112,200	-	-	444,622	1,474,201	-	124,772	2,155,795
Ontario	1,180,237	189,927	-	196,902	-	545,097	100,000	617,307	2,829,470
Other aboriginal organizations	2,010,949	8,000	-	-	-	519,333	-	392,392	2,930,674
Trust income	-	-	-	-	-	-	-	295,144	295,144
OFNLP	-	-	-	-	-	-	1,488,152	-	1,488,152
Interest and other revenue	(2,066)	805,583	42,717	122,518	236,558	1,016,227	178,470	167,746	2,567,753
User fees, rental income, sales and fund raising	127,405	-	-	187,047	890,187	-	7,913,377	69,574	9,187,590
Transfer between segments	-	50,000	-	561,916	-	-	(812,457)	200,541	-
	5,173,631	2,423,311	8,613,401	2,511,432	1,997,104	4,890,777	9,262,822	1,962,991	36,835,469
Due from (to) Indigenous Services Canada	(5,673)	-	(2,097)	-	-	-	-	-	(7,770)
Due from (to) other funders	-	-	-	-	-	(77,509)	(72,763)	(57,916)	(208,188)
	5,167,958	2,423,311	8,611,304	2,511,432	1,997,104	4,813,268	9,190,059	1,905,075	36,619,511
Expenses									
Salaries, wages and benefits	2,000,865	1,625,920	1,331,705	1,096,498	266,283	2,847,853	2,391,041	725,291	12,285,456
Materials and supplies	369,525	338,527	81,143	167,952	84,603	572,106	993,074	254,786	2,861,716
Contracted services	1,203,912	939,353	457,876	494,842	703,893	1,052,282	1,260,197	202,775	6,315,130
Rents and financial expenses	38,821	16,360	95,803	205,086	119,483	11,160	197,970	109,539	794,222
External transfers and other	1,123,674	-	6,370,741	-	-	-	2,699,182	66,336	10,259,933
Amortization	49,710	10,593	11,407	469,816	532,580	124,786	657,142	34,874	1,890,908
Transfers between segments	173,203	(730,034)	78,020	28,780	76,618	168,576	142,820	62,017	-
	4,959,710	2,200,719	8,426,695	2,462,974	1,783,460	4,776,763	8,341,426	1,455,618	34,407,365
Net surplus (deficit)	\$ 208,248	\$ 222,592	\$ 184,609	\$ 48,458	\$ 213,644	\$ 36,505	\$ 848,633	\$ 449,457	\$ 2,212,146

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

Garden River First Nation
Schedule 2 - Consolidated Schedule of Segment Disclosure (continued)

For the year ended March 31, 2020

	Social and Family Services	Administration Lands Trusts & Economic Development	Education	Operations and Maintenance	Housing Development	Medical and Other Health Services	Enterprises	Other	Consolidated Total
Revenue									
Indigenous Services Canada	\$ 188,758	\$ 1,441,488	\$ 8,903,900	\$ 922,123	\$ 256,191	\$ 791,183	\$ -	\$ 24,520	\$ 12,528,163
Canada	1,137,686	9,120,306	-	-	532,960	1,723,759	-	88,759	12,603,470
Ontario	960,723	9,982,796	-	190,521	-	476,307	235,325	681,172	12,526,844
Other aboriginal organizations	2,059,401	22,950	-	-	-	343,917	-	385,658	2,811,926
Trust income	-	-	-	-	-	-	-	283,770	283,770
OFNLP	-	-	-	-	-	-	1,516,297	-	1,516,297
Interest and other revenue	14,221	202,062	55,620	113,319	89,929	1,019,294	485,015	227,338	2,206,798
User fees, rental income, sales and fund raising	119,412	-	116,632	284,873	799,018	-	14,480,476	129,153	15,929,564
Transfers between segments	-	50,000	-	527,600	-	-	(1,035,300)	457,700	-
	4,480,201	20,819,602	9,076,152	2,038,436	1,678,098	4,354,460	15,681,813	2,278,070	60,406,832
Due from (to) Indigenous Services Canada			(53,863)	-	-	-	-	-	(53,863)
Due from (to) other funders			-	-	-	-	-	(16,471)	(16,471)
	4,480,201	20,819,602	9,022,289	2,038,436	1,678,098	4,354,460	15,681,813	2,261,599	60,336,498
Expenses									
Salaries, wages and benefits	1,762,825	1,588,107	1,310,053	967,805	268,377	2,563,038	2,798,735	974,310	12,233,250
Materials and supplies	223,346	222,483	73,231	239,640	85,738	206,460	1,305,216	377,277	2,733,391
Contracted services	850,974	2,485,841	775,712	725,712	669,930	1,239,254	1,675,125	301,472	8,724,020
Rents and financial expenses	54,716	21,772	91,188	193,390	105,608	22,440	385,838	37,923	912,875
External transfers and other	1,305,919	9,126,503	6,610,027	-	-	-	8,196,979	84,111	25,323,539
Amortization	49,361	195,595	19,469	425,401	514,660	116,484	493,346	28,668	1,842,984
Transfers between segments	234,387	(935,698)	91,383	37,151	70,927	197,828	233,602	68,451	(1,969)
	4,481,528	12,704,603	8,971,063	2,589,099	1,715,240	4,345,504	15,088,841	1,872,212	51,768,090
Excess (deficiency) of revenue over expenses	\$ (1,327)	\$ 8,114,999	\$ 51,226	\$ (550,663)	\$ (37,142)	\$ 8,956	\$ 592,972	\$ 389,387	\$ 8,568,408

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