

Non-Consolidated Financial Statements of

BIGSTONE CREE NATION

Year ended March 31, 2023

BIGSTONE CREE NATION

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Year ended March 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying non-consolidated special-purpose financial statements of Bigstone Cree Nation (the "Nation") are the responsibility of management and have been approved by the Chief and Council.

The non-consolidated special-purpose financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The non-consolidated special-purpose financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the non-consolidated special-purpose financial statements are presented, in all material respects.

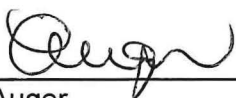
Management maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Nation's assets are appropriately accounted for and adequately safeguarded.

Those charged with governance are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the non-consolidated special-purpose financial statements. This responsibility is carried out principally through the Chief and Council.

The Chief and Council review and approve the non-consolidated special-purpose financial statements. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the non-consolidated special-purpose financial statements and the external auditors' report. The Chief and Council also approves the engagement of the external auditor.

The non-consolidated special-purpose financial statements have been audited by the independent firm KPMG LLP in accordance with Canadian generally accepted auditing standards, and express their opinion on the non-consolidated special-purpose financial statements. The external auditors have full and free access to management of Bigstone Cree Nation and meet when required. Their report to the Chief and Council of the Nation, stating the scope of their examination and opinion on the non-consolidated special-purpose financial statements, follows.

On behalf of Bigstone Cree Nation:



Melba Auger
Finance Manager

Wabasca, Canada



KPMG LLP
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Edmonton, AB T5J 0H3
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Telephone 780 429 7300
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INDEPENDENT AUDITOR'S REPORT

To the Chief and Council of Bigstone Cree Nation

Opinion

We have audited the non-consolidated special-purpose financial statements of Bigstone Cree Nation (the Entity), which comprise:

- the non-consolidated statement of financial position as at March 31, 2023
- the non-consolidated statement of operations and accumulated surplus for the year then ended
- the non-consolidated statement of changes in net financial assets for the year then ended
- the non-consolidated statement of cash flows for the year then ended
- and notes to the non-consolidated special-purpose financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2023 of the Entity are prepared, in all material respects, 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 Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

Management is responsible for the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Edmonton, Canada

July 8, 2024

BIGSTONE CREE NATION

Non-Consolidated Statement of Financial Position

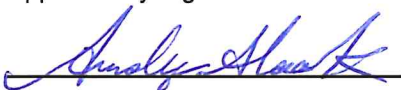
March 31, 2023, with comparative information for 2022

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 42,311,506	\$ 52,188,321
Restricted cash (note 2)	1,079,163	1,057,884
Temporary investments (note 3)	2,041,049	2,000,098
Accounts receivable (note 4)	6,377,078	2,417,778
Due from related parties (note 5)	13,296,878	10,228,506
Trust funds held by federal government (note 6)	564,039	992,071
Investment in subsidiaries, at cost (note 7)	122	122
	65,669,835	68,884,780
Liabilities:		
Accounts payable and accrued liabilities	3,230,362	5,270,581
Government transfers repayable (note 8)	1,393,434	1,519,268
Deferred revenue (note 9)	39,386,555	41,138,803
Long-term debt (note 10)	8,249,266	8,688,759
	52,259,617	56,617,411
Net financial assets	13,410,218	12,267,369
Non-financial assets:		
Prepaid expenses and deposits	853,385	631,577
Tangible capital assets (note 11)	87,857,289	61,441,456
	88,710,674	62,073,033
Accumulated surplus (note 12)	\$ 102,120,892	\$ 74,340,402

Commitments, contingencies and guarantees (note 14)

See accompanying notes to non-consolidated financial statements.

Approved by Bigstone Cree Nation:

 Chief

 Councillor

BIGSTONE CREE NATION

Non-Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenue (Schedule 1):		
Government Transfers (note 13)	\$ 74,515,892	\$ 74,220,927
Net Amounts Deferred	2,173,457	(23,510,574)
Government transfers to be repaid	(681,673)	(710,032)
	<u>76,007,676</u>	<u>50,000,321</u>
User fees, rent and sales of goods and services	7,110,812	6,100,277
Distributions from trusts	1,632,267	3,450,613
Local government fees	1,736,750	760,000
Property taxes	434,358	656,174
Amounts earned and held in trust by fed gov	825,503	428,284
Other income	1,715,330	1,209,071
(Loss) gain on disposition of tangible capital assets	(43,305)	110,139
	<u>89,419,391</u>	<u>62,714,879</u>
Expenses (Schedule 1):		
Education and child development	27,589,302	24,325,466
Administration and governance	10,065,024	11,712,956
Housing	6,076,626	5,192,843
Public works and fire department	10,841,567	7,592,085
Economic development	1,877,450	1,616,958
Social	2,773,168	1,612,463
Human resource development	1,725,283	1,218,090
Lands	651,509	277,476
Other	38,972	2,196,696
	<u>61,638,901</u>	<u>55,745,033</u>
Annual surplus	27,780,490	6,969,846
Accumulated surplus, beginning of year	74,340,402	67,370,556
Accumulated surplus, end of year	<u>\$ 102,120,892</u>	<u>\$ 74,340,402</u>

See accompanying notes to non-consolidated financial statements.

BIGSTONE CREE NATION

Non-Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Annual surplus	\$ 27,780,490	\$ 6,969,846
Acquisition of tangible capital assets	(32,129,320)	(9,286,515)
Proceeds on disposition of tangible capital assets	32,261	123,599
Loss (gain) on disposition of tangible capital assets	43,305	(110,139)
Amortization of tangible capital assets	5,637,921	5,575,816
	1,364,657	3,272,607
Increase in prepaid expenses and deposits	(221,808)	(79,959)
Increase in net financial assets	1,142,849	3,192,648
Net financial assets, beginning of year	12,267,369	9,074,721
Net financial assets, end of year	\$ 13,410,218	\$ 12,267,369

See accompanying notes to non-consolidated financial statements.

BIGSTONE CREE NATION

Non-Consolidated Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 27,780,490	\$ 6,969,846
Item which do not involve cash:		
Amortization of tangible capital assets	5,637,921	5,575,816
Loss (gain) on disposal of tangible capital assets	43,305	(110,139)
Changes in non-cash operating working capital:		
Accounts receivable	(3,959,300)	1,306,022
Accounts payable and accrued liabilities	(2,040,219)	2,675,782
Government transfers repayable	(125,834)	(1,359,924)
Deferred revenue	(1,752,248)	24,776,008
Prepaid expenses and deposits	(221,808)	(79,959)
	25,362,307	39,753,452
Capital transactions:		
Acquisition of tangible capital assets	(32,129,320)	(9,286,515)
Proceeds on disposition of tangible capital assets	32,261	123,599
	(32,097,059)	(9,162,916)
Investing transactions:		
Purchase of temporary investments	(40,951)	(851,190)
Trust funds held by federal government	428,032	(105,836)
	387,081	(957,026)
Financing transactions:		
Repayments of long-term debt	(1,101,593)	(1,095,676)
Advances to related parties, net of repayments	(3,068,372)	1,004,722
Proceeds from long-term debt	662,100	-
	(3,507,865)	(90,954)
(Decrease) increase in cash	(9,855,536)	29,542,556
Cash, beginning of year	53,246,205	23,703,649
Cash, end of year	\$ 43,390,669	\$ 53,246,205
Cash is comprised of:		
Cash and cash equivalents	\$ 42,311,506	\$ 52,188,321
Restricted cash	1,079,163	1,057,884
	\$ 43,390,669	\$ 53,246,205

See accompanying notes to non-consolidated financial statements.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2023

Bigstone Cree Nation ("BCN") is a First Nation established under the First Nations Act of Canada and represents the Bigstone Cree in Wabasca-Desmarais and the communities of Calling Lake and Chipewyan Lake.

1. Significant accounting policies:

These non-consolidated special-purpose financial statements (the "financial statements") have been prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by BCN are as follows:

(a) Basis of accounting:

These financial statements have been prepared in accordance with Canadian public sector accounting standards except that they have been prepared on a non-consolidated basis. The financial statements are prepared for management of BCN, its lenders and entities that provide funding to the BCN. As a result, the financial statements may not be suitable for any other purpose.

(b) Reporting entity:

These financial statements include BCN's operations. BCN is comprised of a number of related entities that are accountable to BCN for the administration of their financial affairs and resources. The following related entities are accounted for at cost:

Entity	Year end
Bigstone Business Trust, 100% beneficial interest held in trust for BCN	December 31
Bigstone Health Commission Business Trust, 100% beneficial interest held in trust for BCN	December 31
Bigstone Cree Nation Business Trust, 100% beneficial interest held in trust for BCN	December 31
Bigstone Economic Holdings, 100% beneficial interest held in trust by the Chief and Council of BCN	March 31
Bigstone Health Holdings, 100% beneficial interest held in trust by the Chief and Council of BCN	March 31
Bigstone Forestry Inc., 100% beneficial interest held in trust by the Chief and Council of BCN	April 30

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(b) Reporting entity (continued):

Other related entities that are accountable to BCN but not included in these financial statements include the following:

Entity	Year end
Neepinise Family Healing Centre Society	March 31
Bigstone Cree Nation Child and Family Services Society	March 31
Bigstone Health Commission	March 31
Bigstone Education Authority Society	March 31
Bigstone Advisory Elders Society	March 31
Bigstone Evergreen Foundation	March 31
Bigstone Opasikoniwew Housing Authority	March 31
Kituskeenow Holdings Corporation	March 31
Mistassini Housing Corporation	March 31
Pekewe Service Society	March 31
Kee Wee Tin Nok Transport Ltd.	March 31
Bigstone Cree Nation Trust	December 31
Calling Lake Community Trust	December 31
Chipewyan Lake Community Trust	December 31
Off Reserve Members' and Affiliates' Trust	December 31
Wabasca/Desmarais Community Trust	December 31

(c) Revenue recognition:

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except where the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation which 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.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(c) Revenue recognition (continued):

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.

Investment income is recognized as revenue when earned. Investment transactions are accounted for as of the trade date. Interest income is accrued daily, and dividend income is recognized on the dividend declaration date. Realized gains and losses from transactions are calculated on an average cost basis.

Royalties, property taxes, rent, and other fees and charges are accounted for in the year in which the transactions or events occurred that gave rise to the revenue if the collection of the amount to be received is reasonably assured.

(d) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having maturity of three months or less at acquisition which are held for purpose of meeting short-term cash commitments.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all temporary investments at fair value as they are managed and evaluated on a fair value basis.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(e) Financial instruments (continued):

Fair value measurements are classified using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(f) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are recorded at fair value using the exchange rate at the financial statement date. In the period of settlement, the realized foreign exchange gains and losses are recognized in the statement of operations.

(g) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of tangible capital assets is amortized over their expected useful lives using the following methods and annual rates.

Asset	Asset	Rate
Buildings	Declining balance	5%
Land improvements	Straight-line	10 years
Infrastructure	Declining balance	5%
Mobile homes	Straight-line	10 years
Vehicles	Declining balance	30%
Equipment	Declining balance	20%
Computer equipment	Declining balance	20% to 30%
Fences and signs	Declining balance	10%
Furniture and fixtures	Declining balance	20%

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of the receipt and also are recorded as revenue.

(iii) Lands and natural resources:

Lands received as part of the Settlement Agreement and natural resources that have not been purchased are not recognized as assets in these financial statements.

(iv) Works of art and cultural and historic assets:

Works of art, cultural and historic assets are not recognized as assets in these financial statements.

(v) Interest capitalization:

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(vi) Leased tangible capital assets:

Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(h) Contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and it is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

(i) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

On April 1, 2022, BCN adopted Public Accounting Standard PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. Following the adoption of the standard, BCN did not identify any legal obligations giving rise to a liability.

(j) Allocation of expenses:

BCN records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program.

BCN allocates certain of its general support expenses by identifying the appropriate basis of allocating each expense.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(k) Use of estimates:

The preparation of financial statements 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 financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(l) Future accounting changes:

The following summarizes upcoming changes to public sector accounting standards issued by the Public Sector Accounting Standards Board. In fiscal 2024, BCN will continue to assess the impact and prepare for the adoption of these standards.

Public Sector Accounting Standard	Effective Date
PS3400 - Revenue	April 1, 2023
PSG8 - Purchased Intangibles	April 1, 2023
PS3260 - Public Private Partnerships	April 1, 2023

2. Restricted cash:

Restricted cash includes \$1,079,163 (2022 - \$1,057,884) restricted to fund the CMHC replacement reserve.

3. Temporary investments:

	2023	2022
Guaranteed investment certificates, bearing interest at 1.2% to 2.85% (2022 - 0.3% to 2.65%) per annum with maturity dates of May 2023 to October 2023. (2022 - June 2022 to October 2022).	\$ 2,041,049	\$ 2,000,098
	\$ 2,041,049	\$ 2,000,098

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

4. Accounts receivable:

	2023	2022
Trade receivables	\$ 6,476,483	\$ 5,123,240
First Nations Development Fund	2,359,066	514,889
Indigenous Services Canada	1,021,816	481,323
Trade accounts receivable, CMHC Section 95 units	2,397,831	2,134,758
Goods and services tax receivable	287,047	460,665
Other contributions receivable	1,002,301	495,365
	13,544,544	9,210,240
Allowance for doubtful accounts, trade accounts receivable	(4,769,635)	(4,657,704)
Allowance for doubtful accounts, CMHC Section 95 units	(2,397,831)	(2,134,758)
	\$ 6,377,078	\$ 2,417,778

5. Due from (to) related parties:

	2023	2022
Mistassini Aboriginal Contractors Ltd.	\$ 6,814,000	\$ 6,540,000
Bigstone Truckstop Ltd.	1,912,459	1,912,459
Bigstone Lot 25 Limited Partnership	1,687,323	1,714,377
Bigstone Evergreen	1,072,773	-
Bigstone Store Ltd.	651,970	492,383
Bigstone Oilfield Services and Supplies Ltd.	416,606	450,714
Bigstone Oil and Gas Ltd.	341,594	341,594
Keyanew Enterprises Ltd.	143,299	130,799
Bigstone Cree Nation Child and Family Services Society	-	-
Bigstone Health Holdings	103,475	103,475
Bigstone Cree Nation Trust	70,140	18,391
Other	176,726	39,232
Bigstone Health Commission	(193,387)	(195,967)
Bigstone Forestry Inc.	99,900	(1,318,951)
	\$ 13,296,878	\$ 10,228,506

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

6. Trust funds held by federal government:

	2023	2022
Capital fund:		
Balance, beginning of year	\$ 110,474	\$ 86,901
Earnings for the year	145,427	44,021
Transfers	(102,441)	(20,448)
Balance, end of year	153,460	110,474
Revenue fund:		
Balance, beginning of year	881,597	799,334
Earnings for the year	680,075	384,263
Transfers	(1,151,093)	(302,000)
Balance, end of year	410,579	881,597
	\$ 564,039	\$ 992,071

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*.

7. Investments in subsidiaries:

Investments in subsidiaries are recorded at cost and are comprised of the following entities:

	2023	2022
Bigstone Forestry Inc.	\$ 100	\$ 100
Bigstone Economic Health Holdings Ltd.	11	11
Bigstone Health Holdings Ltd.	11	11
	\$ 122	\$ 122

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

8. Government transfers repayable:

	2023	2022
Government of Canada:		
Indigenous Services Canada:		
Social Services	\$ 200,050	\$ 966,025
Finance and Administration	562,649	494,992
Public Works and Fire Department - Operating	630,735	58,251
	<u>\$ 1,393,434</u>	<u>\$ 1,519,268</u>

9. Deferred revenue:

	2023	2022
Government of Canada:		
Indigenous Services Canada	\$ 29,024,736	\$ 29,249,538
Service Canada	2,461,135	2,468,576
CMHC	3,112,507	7,344,409
	<u>34,598,378</u>	<u>39,062,523</u>
Province of Alberta:		
First Nations Development Fund	1,102,404	730,054
Other provincial	298,030	303,433
	<u>1,400,434</u>	<u>1,033,487</u>
Other transfers and unearned revenue	3,387,743	1,042,793
	<u>\$ 39,386,555</u>	<u>\$ 41,138,803</u>

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

10. Long-term debt:

A Band Council Resolution (BCR) authorizing each loan, the security and the terms of credit is required. Long-term debt is comprised of the following:

	2023	2022
<u>CMHC Housing Projects</u>		
CMHC Section 95 mortgage on 10 unit project bearing interest at 1.22 (2022 - 1.13%) per annum, repayable at \$3,635 (2022 - \$3,620) per month including interest, due May 2031	\$ 338,993	\$ 378,235
CMHC Section 95 mortgage on 5 unit project bearing interest at 1.57% (2022 - 1.31%) per annum, repayable at \$1,639 (2022 - \$1,630) per month including interest, due July 2026	63,849	82,363
CMHC Section 95 mortgage on handicap units bearing interest at 0.70% (2022 - 0.70%) per annum, repayable at \$630 (2022 - \$632) per month including interest, due May 2025	16,264	23,690
CMHC Section 95 mortgage on 43 unit project bearing interest at 1.73% (2022 - 1.73%) per annum, repayable at \$28,016 (2022 - \$28,016) per month including interest, due November 2028	1,813,675	2,115,754
CMHC Section 95 mortgage on 3 unit project bearing interest at 3.81% (2022 - 2.39%) per annum, repayable at \$1,779 (2022 - \$1,666) per month including interest, due January 2033	175,145	190,768
CMHC Section 95 mortgage on 6 unit project bearing interest at 2.50% (2022 - 2.50%) per annum, repayable at \$3,989 (2022 - \$3,989) per month including interest, due April 2028	228,347	269,969
CMHC Section 95 mortgage on 11 unit project bearing interest at 0.82% (2022 - 0.46%) per annum, repayable at \$3,967 (2022 - \$4,021) per month including interest, due July 2024	63,111	109,993
CMHC Section 95 mortgage on 9 unit project bearing interest at 1.57% (2022 - 1.31%) per annum, repayable at \$2,946 (2022 - \$2,928) per month including interest, due August 2026	117,538	150,768

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

10. Long-term debt (continued):

	2023	2022
<u>CMHC Housing Projects</u>		
CMHC Section 95 mortgage, special allocation on 6 unit project bearing interest at 4.65% (2022 - 2.06%) per annum, repayable at \$2,703 (2022 - \$3,146) per month including interest, due September 2027	131,599	196,192
CMHC Section 95 mortgage on 12 unit project bearing interest at 1.83% (2022 - 1.83%) per annum, repayable at \$7,665 (2022 - \$7,665) per month including interest, due December 2034	972,111	1,045,634
CMHC Section 95 mortgage on 20 unit project bearing interest at 3.98% (2022 - 2.06%) per annum, repayable at \$19,725 (2022 - \$18,016) per month including interest, due November 2032	1,899,254	2,069,398
CMHC Section 95 mortgage on 25 unit project bearing interest at 0.70% (2022 - 0.70%) per annum, repayable at \$16,088 (2021 - \$16,182) per month including interest, due July 2030	1,379,613	1,562,328
CMHC Section 95 mortgage on 8 unit project bearing interest at 4.18% per annum, repayable at \$11,826 per month including interest, due December 2028	662,100	-
<u>Education - Community School</u>		
CIBC Education Trailers loan bearing interest at prime plus 0.50% (2022 - 0.75%) per annum, repayable at \$2,167 (2022 - \$2,167) plus accrued interest, due on demand (i, ii)	221,000	247,000
<u>Economic Development</u>		
CIBC building loan bearing interest at prime plus 0.50% (2022 - 0.75%) per annum, repayable at \$6,667 (2022 - \$6,667) per month plus accrued interest, due on demand (i, ii)	166,667	246,667
	\$ 8,249,266	\$ 8,688,759

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

10. Long-term debt (continued):

- (i) BCN has on demand term loans with CIBC bearing interest at prime rate plus 0.50% (2022 - prime rate plus 0.75%) per annum, authorized to a maximum of \$960,459 (2022 - \$1,221,168). Any principal that is repaid is not available to be re-borrowed. At March 31, 2023, the term loan had \$387,667 (2022 - \$493,667) drawn upon it.
- (ii) The debt facilities with CIBC are secured by a general security agreement granting the CIBC a first charge and security interest in all of BCN's present and after-acquired personal property of every nature and kind; an irrevocable assignment to ISC, directing that ISC pay to CIBC all funds payable by ISC to BCN; a first charge over specific buildings, mobile homes and vehicles and adequate insurance with first loss payable to CIBC.

BCN's lending agreement requires compliance with a restrictive non-financial covenant. Subsequent to year-end, the Nation was not in compliance with the reporting covenant. The lender has not stated what actions, if any, it will take as a result of the violation.

Provided the lenders do not exercise their right to demand repayment of the loans due on demand, the contractually agreed future annual principal repayments of the loans over the next five years and thereafter are as follows:

2024	\$ 1,101,395
2025	1,193,121
2026	1,059,145
2027	1,098,237
2028	1,127,420
Thereafter	2,669,948
	\$ 8,249,266

In addition, BCN has an operating line of credit with CIBC bearing interest at prime rate plus 0.50% (2022 - prime plus 0.75%), authorized to a maximum of \$2,300,000 (2022 - \$2,300,000). At March 31, 2023, this line of credit had nil (2022 - nil) drawn upon it.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

11. Tangible capital assets:

2023	Cost	Accumulated amortization	Net book value
Buildings (i)	\$ 83,466,539	\$ 27,795,670	\$ 55,670,869
Land	2,839,238	-	2,839,238
Infrastructure	22,928,508	6,279,337	16,649,171
Mobile homes (ii)	25,800,281	18,626,729	7,173,552
Vehicles	7,762,508	5,253,639	2,508,869
Equipment	3,854,174	2,258,293	1,595,881
Modular offices under capital lease	236,559	236,559	-
Computer equipment	2,121,897	1,283,477	838,420
Fences and signs	312,232	138,498	173,734
Furniture and fixtures	776,611	369,056	407,555
	\$ 150,098,547	\$ 62,241,258	\$ 87,857,289

2022	Cost	Accumulated amortization	Net book value
Buildings (i)	\$ 59,826,433	\$ 26,471,963	\$ 33,354,470
Land	2,839,238	-	2,839,238
Infrastructure	16,231,071	5,648,178	10,582,893
Mobile homes (ii)	25,800,281	16,506,838	9,293,443
Vehicles	6,675,639	4,620,289	2,055,350
Equipment	3,584,022	1,900,055	1,683,967
Modular offices under capital lease	236,559	236,559	-
Computer equipment	2,032,224	941,599	1,090,625
Fences and signs	164,876	127,211	37,665
Furniture and fixtures	771,104	267,299	503,805
	\$ 118,161,447	\$ 56,719,991	\$ 61,441,456

The capital assets presented above include work-in-progress for which no amortization was taken during the year, as follows:

	2023	2022
Buildings	\$ 26,835,019	\$ 5,129,252
Infrastructure	2,464,818	275,947
	\$ 29,299,837	\$ 5,405,199

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

11. Tangible capital assets (continued):

(i) Included in buildings are the following CMHC Section 95 units:

2023	Cost	Accumulated amortization	Net book value
5 Unit	\$ 495,757	\$ 343,805	\$ 151,952
Handicap	175,275	121,552	53,723
43 Unit	10,688,863	5,149,568	5,539,295
3 Unit	476,404	263,443	212,961
6 Unit	1,156,502	590,926	565,576
11 Unit	445,893	266,704	179,189
9 Unit	915,866	635,148	280,718
6 Unit Special	784,027	433,332	350,695
12 Unit	2,402,253	1,139,065	1,263,188
20 Unit	5,296,426	2,241,276	3,055,150
25 Unit	4,269,507	2,035,035	2,234,472
8 Unit	662,100	-	662,100
	\$ 27,768,873	\$ 13,219,854	\$ 14,549,019
2022	Cost	Accumulated amortization	Net book value
5 Unit	\$ 495,757	\$ 335,807	\$ 159,950
Handicap	175,275	118,725	56,550
43 Unit	10,688,863	4,858,026	5,830,837
3 Unit	476,404	252,234	224,170
6 Unit	1,156,502	561,159	595,343
11 Unit	445,893	257,274	188,619
9 Unit	915,866	620,374	295,492
6 Unit Special	940,833	497,850	442,983
12 Unit	2,402,253	1,072,582	1,329,671
20 Unit	5,296,426	2,080,479	3,215,947
25 Unit	4,269,507	1,917,431	2,352,076
	\$ 27,263,579	\$ 12,571,941	\$ 14,691,638

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

11. Tangible capital assets (continued):

(ii) Included in mobile homes are the following CMHC Section 95 units:

2023	Cost	Accumulated amortization	Net book value
5 Unit	\$ 153,225	\$ 53,629	\$ 99,596
9 Unit	281,000	42,150	238,850
10 Unit	1,647,531	1,638,050	9,481
11 Unit	791,123	260,843	530,280
12 Unit	281,000	42,150	238,850
25 Unit	22,500	21,026	1,474
	\$ 3,176,379	\$ 2,057,848	\$ 1,118,531

2022	Cost	Accumulated amortization	Net book value
5 Unit	\$ 153,225	\$ 38,306	\$ 114,919
9 Unit	281,000	14,050	266,950
10 Unit	1,647,531	1,619,088	28,443
11 Unit	791,123	181,731	609,392
12 Unit	281,000	14,050	266,950
25 Unit	22,500	18,776	3,724
	\$ 3,176,379	\$ 1,886,001	\$ 1,290,378

12. Accumulated surplus:

	2023	2022
Unrestricted operating fund	\$ 19,582,624	\$ 18,554,239
Trust funds held by federal government	564,039	992,071
Invested in tangible capital assets (see (i) below)	79,608,023	52,752,697
CMHC replacement reserve (see (ii) below)	2,366,206	2,041,395
	\$ 102,120,892	\$ 74,340,402

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

12. Accumulated surplus (continued):

(i) Invested in tangible capital assets is comprised of the following:

	2023	2022
Tangible capital assets	\$ 87,857,289	\$ 61,441,456
Long-term debt related to tangible capital assets	(8,249,266)	(8,688,759)
Balance, end of year	\$ 79,608,023	\$ 52,752,697

(ii) CMHC replacement reserve is comprised of the following:

	2023	2022
Balance, beginning of year	\$ 2,041,395	\$ 1,751,241
Transfers	300,000	300,000
Expenditures	(2,423)	(11,346)
Interest earned	27,234	1,500
Balance, end of year	\$ 2,366,206	\$ 2,041,395

The underfunded position of the CMHC replacement reserve is as follows:

	2023	2022
CMHC replacement reserve	\$ 2,366,206	\$ 2,041,395
Restricted cash (note 2)	(1,079,163)	(1,057,884)
Operating cash (included in cash and cash equivalents)	(120,208)	(120,126)
CMHC replacement reserve, underfunded position	\$ 1,166,835	\$ 863,385

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

13. Government transfers:

	2023	2022
Government of Canada, operating:		
Indigenous Services Canada	\$ 72,806,562	\$ 60,350,097
CMHC	1,112,007	10,036,320
Service Canada	2,640,137	2,844,554
Other	1,797,768	237,619
	<u>78,356,474</u>	<u>73,468,590</u>
Province of Alberta, operating:		
Forest Resource Improvement Association of Alberta	-	1,778,990
Province of Alberta and other agencies	686,398	543,619
	<u>686,398</u>	<u>2,322,609</u>
Province of Alberta, capital:		
First Nations Development Fund	3,832,151	351,508
	<u>3,832,151</u>	<u>351,508</u>
Transfers to related parties	(8,359,131)	(1,921,780)
	<u>\$ 74,515,892</u>	<u>\$ 74,220,927</u>

14. Commitments, contingencies and guarantees:

BCN guarantees loans for certain subsidiaries and partnerships. If these subsidiaries and partnerships fail to meet their debt obligations as they become due, BCN is liable for the related debts, as follows:

Entity	Maximum Guarantee
Bigstone Lot 25 Limited Partnership	\$ 141,750
Bigstone Health Commission	2,500,000
Bigstone Oilfield Services & Supplies Ltd.	1,076,942
	<u>\$ 3,718,692</u>

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

14. Commitments, contingencies and guarantees (continued):

The nature of activities undertaken in the normal course of business for BCN is such that there may be litigation pending or in prospect at any time. These potential liabilities may become actual liabilities when one or more future events occur or fail to occur. With respect to claims at March 31, 2023, management believes that BCN has valid defences and adequate insurance coverage in place. In the event that any claims are successful, the amount of any potential liability is not determinable, therefore no amount has been accrued in the financial statements.

15. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. BCN is exposed to credit risk with respect to its accounts receivable, investments, temporary investments, and trust funds held by federal government.

BCN assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of BCN at March 31, 2023 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the statement of operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations. At March 31, 2023, the total allowance for doubtful accounts was \$7,167,466 (2022 - \$6,792,462).

The maximum exposure to investment credit risk is outlined in note 3.

There have been no significant changes to the credit risk exposure from the prior year.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

15. Financial risks and concentration of risk (continued):

(b) Liquidity risk:

Liquidity risk is the risk that BCN will be unable to fulfill its obligations on a timely basis or at a reasonable cost. BCN manages its liquidity risk by monitoring its operating requirements. BCN prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

The contractual maturities of long-term debt is disclosed in note 10.

There have been no significant changes to the liquidity risk exposure from the prior year.

(c) Geographical risk:

Geographical risk is the risk that BCN's revenues will be affected by the remote location of its operations.

BCN's other contributions and transfers as well as other sources of non-investment income revenues are earned in Wabasca-Desmarais and neighbouring territories region of northern Alberta. A reduction in the economic activity in this region will unfavourably impact the revenues of BCN.

There has been no change to the geographical risk exposure from the prior year.

(d) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect BCN's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

BIGSTONE CREE NATION

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2023

15. Financial risks and concentration of risk (continued):

(d) Market risk (continued):

(i) Foreign exchange risk:

BCN is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, BCN makes purchases denominated in U.S. dollars. BCN does not currently enter into forward contracts to mitigate this risk.

There has been no change to the market risk exposure from the prior year.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

Financial assets and financial liabilities with variable interest rates expose BCN to cash flow interest rate risk. BCN is exposed to this risk through its variable interest-bearing operating lines of credit and long-term debt as disclosed in note 10.

There has been no change to the interest rate risk exposure from the prior year.

16. Segment disclosures:

BCN provides a wide range of services to its members. Services are delivered through a number of different programs and departments. Identified segments are defined by BCN for which separate financial information is available and is evaluated regularly by Chief and Council and management in allocating resources and assessing results.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment. The accounting policies used in the segments are consistent with the accounting policies followed in the preparation of these financial statements as disclosed in note 1.

The segmented information is included in Schedule 1 of these financial statements.

BIGSTONE CREE NATION

Schedule 1 - Segmented Disclosure

Year ended March 31, 2023, with comparative information for 2022

	Education and child development	Administration and governance	Housing	Public works and fire department	Economic development	Social	Human resource development	Lands	Other	2023 Total	2022 Total
Revenues:											
Government transfers	\$ 46,589,493	\$ 5,518,132	\$ 3,283,757	\$ 13,117,845	\$ 1,960,002	\$ 2,074,649	\$ 1,664,674	\$ 307,340	\$ -	\$ 74,515,892	\$ 74,220,927
Net amounts deferred	(8,992,068)	3,161,121	4,245,500	4,131,622	(411,167)	725,332	23,530	(53,554)	(656,859)	2,173,457	(23,510,574)
Government transfers to be repaid	-	(94,155)	-	(587,418)	-	(100)	-	-	-	(681,673)	(710,032)
	37,597,425	8,585,098	7,529,257	16,662,049	1,548,835	2,799,881	1,688,204	253,786	(656,859)	76,007,676	50,000,321
User fees, rent and sales of goods and services	3,511,498	141,863	722,126	1,924,302	510,273	-	4,000	233,100	63,650	7,110,812	6,100,276
Distributions from trusts	-	1,632,267	-	-	-	-	-	-	-	1,632,267	3,450,614
Local government fees	-	1,736,750	-	-	-	-	-	-	-	1,736,750	760,000
Property taxes	-	434,358	-	-	-	-	-	-	-	434,358	656,174
Amounts earned and held in trust by federal government	-	825,503	-	-	-	-	-	-	-	825,503	428,284
Other income	264,427	877,262	188,002	214,571	-	93,041	78,027	-	-	1,715,330	1,209,071
(Loss) gain on disposition of tangible capital assets	-	-	(42,069)	-	-	-	-	(1,236)	-	(43,305)	110,139
	41,373,350	14,233,101	8,397,316	18,800,922	2,059,108	2,892,922	1,770,231	485,650	(593,209)	89,419,391	62,714,879
Expenses:											
Salaries, wages, benefits and honoraria	8,140,260	2,592,897	580,665	134,714	300,353	163,485	199,962	126,432	-	12,238,768	12,410,335
Tuition and training	10,133,204	7,776	18,033	2,350	-	126,564	1,205,658	-	-	11,493,585	10,384,184
Program delivery	2,554,899	4,225,025	637,876	8,470,048	1,444,655	2,256,186	159,169	188,167	-	19,936,025	14,983,227
Amortization of tangible capital assets	1,263,789	356,984	2,856,833	1,117,287	29,083	8,251	2,711	2,641	-	5,637,579	5,579,740
Administration and office	2,484,595	566,436	544,218	278,576	6,033	169,778	56,735	45,126	-	4,151,497	4,016,408
Pandemic expenses	222,972	430,772	-	-	-	25,663	-	-	-	679,407	2,200,133
Other	547,988	392,285	-	43,835	-	-	1,073	233,825	38,972	1,257,978	927,561
Repairs and maintenance	722,851	52,357	894,280	672,658	-	1,147	-	12,743	-	2,356,036	2,121,818
Utilities	401,768	226,264	85,556	40,411	1,426	4,043	59,539	2,500	-	821,507	801,740
Professional fees (recovery)	271,007	428,532	4,482	-	64,534	-	-	(1,700)	-	766,855	921,928
Travel and meetings	832,977	520,038	37,145	35,395	30,986	14,554	40,436	41,775	-	1,553,306	557,821
Property Taxes	-	187,751	-	25,000	-	-	-	-	-	212,751	400,000
Interest and bank charges	12,992	13,534	142,228	21,293	380	3,497	-	-	-	193,924	172,196
Bad debts	-	64,373	275,310	-	-	-	-	-	-	339,683	267,941
	27,589,302	10,065,024	6,076,626	10,841,567	1,877,450	2,773,168	1,725,283	651,509	38,972	61,638,901	55,745,033
Annual operating surplus (deficiency)	\$ 13,784,048	\$ 4,168,077	\$ 2,320,690	\$ 7,959,355	\$ 181,658	\$ 119,754	\$ 44,948	\$ (165,859)	\$ (632,181)	\$ 27,780,490	\$ 6,969,846