

Big Grassy River First Nation
Financial Statements
For the year ended March 31, 2014

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Financial Statements
For the year ended March 31, 2014

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Management's Responsibility for Financial Reporting

The accompanying financial statements of Big Grassy River First Nation are the responsibility of management and have been approved by the Chief and Council of the Band.

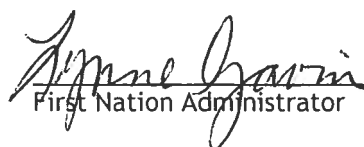
The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable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

The Band 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 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 financial statements. The external auditors have access to financial management of Big Grassy River First Nation and meet when required.



Chief



First Nation Administrator

Independent Auditor's Report

To the Members of Big Grassy River First Nation

We have audited the accompanying financial statements of Big Grassy River First Nation, which comprise the statement of financial position as at March 31, 2014, and the statement of operations, statement of accumulated surplus, statement of changes in net debt and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Big Grassy River First Nation as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in black ink that reads "BDO Canada LLP". The signature is written in a cursive, flowing style.


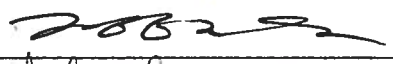



Chartered Accountants, Licensed Public Accountants

Kenora, Ontario
October 30, 2014

Big Grassy River First Nation Statement of Financial Position

| March 31 | 2014 | 2013 |
|---|---------------------|----------------------|
| Financial Assets | | |
| Accounts receivable and loans receivable (Note 1) | \$ 540,974 | \$ 682,378 |
| Total Financial Assets | 540,974 | 682,378 |
| Liabilities | | |
| Bank indebtedness (Note 4) | 280,049 | 419,678 |
| Accounts payable and accrued liabilities (Note 5) | 1,225,963 | 715,954 |
| Deferred revenue (Note 6) | 24,483 | 11,147 |
| Long term debt (Note 7) | 4,904,195 | 4,908,426 |
| Total Liabilities | 6,434,690 | 6,055,205 |
| Net Debt | (5,893,716) | (5,372,827) |
| Non-Financial Assets | | |
| Prepaid expenses | 5,758 | 43,167 |
| Capital assets (Note 2) | 15,772,530 | 16,383,012 |
| | 15,778,288 | 16,426,179 |
| Accumulated surplus (Note 13) | \$ 9,884,572 | \$ 11,053,352 |

Approved on behalf of the First Nation:

| | |
|---|------------|
|  | Chief |
|  | Councillor |
|  | Councillor |
|  | Councillor |
|  | Councillor |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Big Grassy River First Nation Statement of Operations

For the year ended March 31

2014

2013

Revenue

| | | |
|---|------------------|------------------|
| Aboriginal Affairs and Northern Development Canada | \$ 3,000,485 | \$ 2,916,259 |
| - operating | | |
| Ministry of Community and Social Services - operating | 605,633 | 542,346 |
| Health Canada - operating | 531,220 | 541,757 |
| Weechi-It-Te-Win Family Services | 581,808 | 502,064 |
| Ontario First Nations Limited Partnership | 575,606 | 579,226 |
| Canada Mortgage and Housing Corporation | 326,351 | 376,451 |
| Rentals | - | (2,839) |
| Administration recoveries | 1,178,854 | 1,272,160 |
| Ministry of Health | 58,533 | 52,386 |
| Shooniyaa Wa Biitong | 95,723 | 40,624 |
| Other | 906,610 | 1,061,038 |
| | 7,860,823 | 7,881,472 |
| Revenue deferred from prior year | 11,147 | 28,118 |
| Revenue deferred to subsequent year | (24,483) | (11,147) |
| Less: Program transfers | (1,178,854) | (1,272,160) |
| | 6,668,633 | 6,626,283 |

Expenses

| | | |
|---|---------|---------|
| Band Support | 575,599 | 596,365 |
| Governance Project | 33,424 | - |
| Ontario First Nations Limited Partnership | 575,606 | 579,416 |
| Pow Wow | 41,451 | 37,028 |
| Health Canada - HIV | 5,468 | 4,491 |
| Highway Claim | 6,359 | 58,674 |
| Health Canada - CHR | 111,558 | 55,420 |
| Health Canada - BFI | 73,766 | 76,391 |
| Health Canada - BHC | 80,452 | 66,305 |
| Health Canada - NNADAP | 61,951 | 60,898 |
| Health Canada - Operations, Maintenance and Other | 87,799 | 89,845 |
| Health Canada - ADI and Pandemic | 19,135 | 17,607 |
| Early Childhood Development | 35,015 | 36,214 |
| Medical Travel | 210,951 | 194,557 |
| Healthy Babies Healthy Children | 26,573 | 69,763 |
| Shooniyaa | 25,737 | 23,568 |
| Green Plan | 9,111 | 8,684 |
| Secondary Education | 827,834 | 785,902 |
| Band Operated School | 855,202 | 800,117 |
| Post Secondary | 582,715 | 485,331 |
| Summer Student | 58,611 | 63,448 |

Brought forward

4,304,317

4,110,024

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Big Grassy River First Nation

Statement of Operations

| For the year ended March 31 | 2014 | 2013 |
|---|----------------|--------------|
| Carried Forward | \$ 4,304,317 | \$ 4,110,024 |
| Expenses - continued | | |
| Education Operations and Maintenance | 206,693 | 193,461 |
| Teacherage | | 1,824 |
| Library | 33,770 | 17,736 |
| Operations and Maintenance | 671,357 | 714,776 |
| Minor Capital | 308,287 | 478,717 |
| Hydro Project | - | 112,498 |
| Flood Claim | 236,350 | 335,320 |
| School Fundraising | - | 16,625 |
| Welfare | 598,163 | 656,497 |
| NCB | 50,247 | 54,052 |
| Weechi-It-Te-Win Family Services - Community Care Program | 603,655 | 478,169 |
| Weechi-It-Te-Win Family Services - Family Councilor | 88,888 | 92,451 |
| AHWS | 53,030 | 58,555 |
| Long Term Care | 60,540 | 48,947 |
| SATF | 24,335 | 17,788 |
| New Relationship Fund | 82,289 | 80,014 |
| Economic Development | 52,267 | 72,755 |
| Assabaska Park | 105,410 | 142,766 |
| Rental Housing | 567,867 | 611,966 |
| Big Grassy Fisheries | 71,565 | 23,038 |
| Wind Project | - | 9,628 |
| CMHC - RRAP House Renovations | 527,799 | 393,700 |
| Rink Project | - | 5,886 |
| Mishkosiminiziibing Development | 57,140 | |
| Windy Point (705) | 60,416 | - |
| Traditional Land Use/Traditional Knowledge | 239,856 | - |
| CEAA | 12,026 | - |
| | 9,016,267 | 8,727,193 |
| Less: Program transfers | (1,178,854) | (1,272,160) |
| | 7,837,413 | 7,455,033 |
| Annual surplus (deficit) | \$ (1,168,780) | \$ (828,750) |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Big Grassy River First Nation
Statement of Accumulated Surplus

| For the year ended March 31 | 2014 | 2013 |
|---|-----------------------|----------------------|
| Total surplus (deficit) for the year | \$ (1,168,780) | \$ (828,750) |
| Accumulated surplus, beginning of year | 11,053,352 | 11,882,102 |
| Accumulated surplus, end of year (Note 14) | \$ 9,884,572 | \$ 11,053,352 |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Big Grassy River First Nation Statement of Changes in Net Debt

| For the year ended March 31 | 2014 | 2013 |
|--------------------------------------|----------------|----------------|
| Total surplus (deficit) for the year | \$ (1,168,780) | \$ (828,750) |
| Less: capital expenses | (89,955) | (20,327) |
| Add: amortization expense | 700,437 | 726,202 |
| Less: net change in prepaid expenses | 37,409 | 4,141 |
| | (520,889) | (118,734) |
| Net debt, beginning of year | (5,372,827) | (5,254,093) |
| Net debt, end of year | \$ (5,893,716) | \$ (5,372,827) |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Big Grassy River First Nation Statement of Cash Flows

| For the year ended March 31 | 2014 | 2013 |
|--|---------------------|---------------------|
| Operating transactions | | |
| Annual surplus (deficit) | \$ (1,168,780) | \$ (828,750) |
| Adjustments for | | |
| Amortization | <u>700,437</u> | <u>726,202</u> |
| | (468,343) | (102,548) |
| Changes in non-cash working capital balances | | |
| Accounts receivable | 141,404 | (30,909) |
| Prepaid expenditures | 37,409 | 4,141 |
| Accounts payable | 510,009 | 163,104 |
| Deferred revenue | <u>13,336</u> | <u>(14,353)</u> |
| | 233,815 | 19,435 |
| Capital transactions | | |
| Net change in long term debt | (4,231) | (57,447) |
| Purchase of capital assets | <u>(89,955)</u> | <u>(20,327)</u> |
| Increase (decrease) in cash | 139,629 | (58,339) |
| Cash deficiency, beginning of year | <u>(419,678)</u> | <u>(361,339)</u> |
| Cash deficiency, end of year | <u>\$ (280,049)</u> | <u>\$ (419,678)</u> |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Big Grassy River First Nation

Summary of Significant Accounting Policies

March 31, 2014

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

These financial statements include all organizations, operations and activities that are:

- 1) accountable for the administration of the financial affairs and resources directly to the First Nation, and
- 2) are owned or controlled by the First Nation.

This includes all aspects of Band operations including the provision of social, educational, administration, operational and commercial services.

Tangible Capital Assets

First Nation Operations

Capital assets are capitalized at acquisition cost.

Amortization is recorded over the useful life of the tangible capital assets once the asset is available for productive use. Amortization is provided as follows:

| <u>Asset</u> | <u>Method</u> | <u>Rate</u> |
|-------------------------|-------------------------|-------------|
| Buildings | Straight line | - 40 years |
| Water project | Straight line | - 40 years |
| Sewer and water | Straight line | - 40 years |
| Roads | Straight Line | - 40 years |
| Back hoe and loader | Declining balance basis | - 30% |
| Bulldozer | Declining balance basis | - 30% |
| Computer equipment | Declining balance basis | - 30% |
| Furniture and equipment | Declining balance basis | - 20% |
| Fire truck | Declining balance basis | - 30% |
| Gravel truck | Declining balance basis | - 30% |
| Medi-vans | Declining balance basis | - 30% |
| Medical equipment | Declining balance basis | - 20% |
| School Bus | Declining balance basis | - 30% |
| Vehicles | Declining balance basis | - 10% |

In the year of acquisition, one-half of the applicable rate is used.

Program Surpluses Programs funded by government agencies may be subject to recovery by the contributing agencies in accordance with funding arrangements.

Replacement Reserve The replacement reserve accounts are funded by an annual charge against earnings based on amounts specified in agreements with the Canada Mortgage and Housing Corporation.

Big Grassy River First Nation Summary of Significant Accounting Policies

March 31, 2014

Revenue Recognition Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding which relates to a subsequent fiscal period is reflected as deferred revenue.

Park revenue is recognized once the service delivery activities have been satisfied, typically as guests arrive.

Government transfers are recognized as revenues when the transfer is authorized and 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.

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 those estimates and may have impact on future periods.

Pension Plan The First Nation maintains a defined contribution pension plan for its personnel. Expenses for this plan are equal to the First Nations required contribution for the year.

Big Grassy River First Nation Notes to Financial Statements

March 31, 2014

1. Accounts and Loans Receivable

| | 2014 | 2013 |
|---------------------------------|-------------------|-------------------|
| Loans receivable - Band members | \$ 315,163 | \$ 322,767 |
| Accounts receivable - General | 397,366 | 520,733 |
| Accounts receivable - Onegaming | 269,190 | 255,585 |
| | <u>981,719</u> | <u>1,099,085</u> |
| Allowance for doubtful accounts | 440,745 | 416,707 |
| | <u>\$ 540,974</u> | <u>\$ 682,378</u> |

Big Grassy River First Nation

Notes to Financial Statements

March 31, 2014

2. Capital Assets

| | Cost | | | Accumulated Amortization | | | Disposals and Write-downs | Closing Balance | | Net Book Value | 2013 |
|-------------------------|-----------------|-----------|-----------|--------------------------|-----------------|--------------|---------------------------|-----------------|--------------|----------------|------|
| | Opening Balance | Additions | Disposals | Closing Balance | Opening Balance | Amortization | | Balance | Balance | | |
| School | \$ 5,169,214 | \$ - | \$ - | \$ 5,169,214 | \$ 1,550,763 | \$ 131,479 | \$ - | \$ 1,682,242 | \$ 3,486,972 | \$ 3,618,451 | |
| Housing | 12,530,912 | 89,955 | - | 12,620,867 | 4,111,428 | 313,273 | - | 4,424,701 | 8,196,166 | 8,419,484 | |
| Water project | 4,297,309 | - | - | 4,297,309 | 1,826,357 | 107,433 | - | 1,933,790 | 2,363,519 | 2,470,952 | |
| Medical building | 728,292 | - | - | 728,292 | 273,108 | 18,207 | - | 291,315 | 436,977 | 455,184 | |
| Roundhouse | 227,626 | - | - | 227,626 | 45,527 | 5,691 | - | 51,218 | 176,408 | 182,099 | |
| Fire Hall | 324,844 | - | - | 324,844 | 23,611 | 8,121 | - | 31,732 | 293,112 | 301,233 | |
| Other buildings | 1,174,911 | - | - | 1,174,911 | 577,025 | 29,373 | - | 606,398 | 568,513 | 597,886 | |
| Roads | 401,936 | - | - | 401,936 | 401,936 | - | - | 401,936 | - | - | |
| Computer Equipment | 111,612 | - | - | 111,612 | 66,968 | 13,393 | - | 80,361 | 31,251 | 44,644 | |
| Furniture and equipment | 341,482 | - | - | 341,482 | 196,909 | 28,914 | - | 225,823 | 115,659 | 144,573 | |
| Vehicles | 655,604 | - | - | 655,604 | 507,098 | 44,553 | - | 551,651 | 103,953 | 148,506 | |
| | \$25,963,742 | \$ 89,955 | \$ - | \$26,053,697 | \$ 9,580,730 | \$ 700,437 | \$ - | \$10,281,167 | \$15,772,530 | \$16,383,012 | |

Big Grassy River First Nation Notes to Financial Statements

March 31, 2014

3. Trust Assets

| | 2014 | 2013 |
|-------------------------|---------------------|---------------------|
| Ah-Shoo-Gun Trust | | |
| Cash | \$ 146,432 | \$ 79,956 |
| Common stocks | 922,335 | 1,174,695 |
| Fixed income securities | 917,327 | 932,788 |
| | <u>\$ 1,986,094</u> | <u>\$ 2,187,439</u> |
| Kiitakiinaan Trust | | |
| Cash | \$ 311,275 | \$ 356,952 |
| Short term investments | 351,859 | 748,330 |
| Long term investments | 2,199,854 | 1,850,941 |
| | <u>\$ 2,862,988</u> | <u>\$ 2,956,223</u> |

Long term investments of the trusts are recorded at the lower of cost or market and represent holdings of Canadian and Provincial bonds and corporate bonds. Interest rates range from 2.00% to 4.85%.

Changes in trust funds were as follows:

Equity in Ah-Shoo-Gun Trust

| | | |
|--|---------------------|---------------------|
| Balance, beginning of year | \$ 2,187,439 | \$ 2,199,619 |
| Increase (decrease) in market value of investments | (260,275) | 77,883 |
| Interest and investment income earned | 95,666 | 42,100 |
| Trustee fees | (16,858) | (19,855) |
| Transfer to band | | (97,150) |
| Honorariums and other expenses | (19,878) | (15,158) |
| Balance, end of year | <u>\$ 1,986,094</u> | <u>\$ 2,187,439</u> |

Equity in Kiitakiinaan Trust

| | | |
|---------------------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 2,956,223 | \$ 2,938,503 |
| Interest and investment income earned | 42,765 | 93,830 |
| Trustee fees | (15,523) | (18,310) |
| Transfer to band | 648 | - |
| Honorariums and other expenses | (121,125) | (57,800) |
| Balance, end of year | <u>\$ 2,862,988</u> | <u>\$ 2,956,223</u> |

Big Grassy River First Nation Notes to Financial Statements

March 31, 2014

4. Bank Indebtedness

The First Nation has an approved operating line of credit with the CIBC in the amount of \$150,000, with interest at prime rate plus 1.25%. Operating loans and the entire loan account of Big Grassy River First Nation with the CIBC is secured by a security agreement covering all assets, an Acknowledged Irrevocable Direction covering all Aboriginal Affairs and Northern Development Canada funding and a Band Council Resolution authorizing Chief and Council to borrow by way of overdraft.

5. Accounts Payable and Accrued Liabilities

| | 2014 | 2013 |
|----------------------------|---------------------|-------------------|
| Accounts payable - General | \$ 959,841 | \$ 449,832 |
| Infrastructure payable | 266,122 | 266,122 |
| | <u>\$ 1,225,963</u> | <u>\$ 715,954</u> |

6. Deferred Revenue

| | 2014 | 2013 |
|----------------|-----------|-----------|
| Other projects | \$ 24,483 | \$ 11,147 |

Big Grassy River First Nation Notes to Financial Statements

March 31, 2014

7. Long Term Debt

| | 2014 | 2013 |
|--|---------------------|---------------------|
| CMHC loan - Phase IV Project with interest at 2.08%, requiring monthly payments of \$4,809 principal and interest, secured by an assignment of fire insurance and a ministerial guarantee, renewal date 2019 | \$ 465,473 | \$ 501,642 |
| CMHC loan - interest at 1.65%, requiring monthly payments of \$2,250, secured by an assignment of fire insurance and a ministerial guarantee, renewal date June 2017 | 422,030 | 441,909 |
| Chrysler Financial loan - interest at 7.08%, repayable monthly at \$449, secured by specific automotive equipment, maturing 2015 | - | 4,354 |
| CMHC loan - interest at 2.35%, requiring monthly payments of \$3,405 commencing August 1, 2008, secured by an assignment of fire insurance and a ministerial guarantee, renewal date September 2019 | 635,127 | 658,694 |
| CIBC loan - interest at prime plus 1.5%, monthly payments of \$1,308, secured by a Band Council resolution in support of the loan, maturing 2013 | - | 9,147 |
| CMHC Loan - interest at 2.87%, repayable \$3,865 monthly, secured by a general security agreement, renewal date December 2014 | 722,822 | 748,181 |
| CMHC loan - interest rate at 2.78%, repayable \$3,686 monthly, renewal August 2015 | 712,199 | 736,380 |
| AANDC Flood Claim, repayable in full in March 2015 or prior from proceeds on flood claim | 910,019 | 726,993 |
| CMHC Loan, 7 unit housing, repayable \$4,725 monthly including interest at 2.65%, renewal date April 1, 2016 | 947,338 | 978,613 |
| AANDC affairs highway claim, repayable in full in March 2015 or prior from proceeds on claim settlement | 22,588 | 22,588 |
| CIBC School Bus Loan, repayable \$1,100 monthly plus interest at 4.5%, secured by school bus, maturing march 2020 | 66,599 | 79,925 |
| | <u>\$ 4,904,195</u> | <u>\$ 4,908,426</u> |

Big Grassy River First Nation Notes to Financial Statements

March 31, 2014

7. Long Term Debt - continued

The estimated principal repayments on the above long term debt required over the next five years and thereafter are as follows:

| | |
|------------|---------------------|
| 2015 | \$ 1,092,486 |
| 2016 | 166,425 |
| 2017 | 173,280 |
| 2018 | 180,461 |
| 2019 | 187,986 |
| Thereafter | 3,103,557 |
| | <u>\$ 4,904,195</u> |

8. Replacement Reserves

Under the terms of the agreements with Canadian Mortgage and Housing Corporation, the replacement reserve account is to be credited in amounts established by CMHC. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Deposit Insurance Corporation from time to time. The funds in the account may only be used as approved by Canadian Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal.

At year end, the funds in the reserve were required to be \$194,929.

| <u>For the year ended March 31</u> | | | | <u>2014</u> | <u>2013</u> |
|------------------------------------|----------------------------------|---------------------------|--|-------------------|-------------------|
| | <u>10&6 Unit Housing</u> | <u>9-Unit Housing</u> | <u>7-Unit & 6 Plex Housing</u> | <u>Total</u> | <u>Total</u> |
| Balance, beginning of year | \$ 66,500 | \$ 27,650 | \$ 65,100 | \$ 159,250 | \$ 119,925 |
| Allocation for the year | <u>15,700</u> | <u>(5,950)</u> | <u>25,929</u> | <u>35,679</u> | <u>39,325</u> |
| Balance, end of year | <u>\$ 82,200</u> | <u>\$ 21,700</u> | <u>\$ 91,029</u> | <u>\$ 194,929</u> | <u>\$ 159,250</u> |

Big Grassy River First Nation Notes to Financial Statements

March 31, 2014

9. Contingent Liability

The First Nation is in dispute with TW Judson Ltd. over amounts owing totaling \$363,122 of which \$266,774 has been recorded by the First Nation. The First Nation is of the opinion that the additional amounts will not have to be paid if further legal action were to be taken.

During the 2013 fiscal year, the First Nation entered into an agreement with the Town of Rainy River, Township of Dawson and the Township of Lake of the Woods. Under the terms of this agreement, the First Nation contributed \$25,000 towards the establishment of a partnership to construct and maintain housing for locum physicians and medical students in the west end of the Rainy River District. Under the terms of this agreement, the parties to the agreement are responsible for any funding shortfalls.

10. Segmented Financial Information

The First Nation provides a variety of services including band administration, health, education, and commercial and other.

Band Administration

Administration is comprised of the Administration and Finance department. This department performs a management and administrative role by holding Council Meetings to administer the delivery of programs and services and to help develop a strategy for the future.

Health and Social

The First Nation operates a variety of health and social programs to provide health awareness and prevention and assistance programs for community members.

Education

Education and educational programs are responsible for the operation of the school and providing the resources necessary to enhance the educational development of community members.

Housing

Housing programs provide and maintain shelter to community members by building and renovating housing.

Commercial and Other

The First Nation operates a variety of commercial and other activities including the Assabaska Park, Fisheries, and Pow Wow.

11. Defined Contribution Pension Plan

The expense for the First Nations pension plan for the year was \$52,815 (2013 - \$56,470). The plan is funded by the First Nations employees at the rate of 5.3% of the employees salary.

Big Grassy River First Nation

Notes to Financial Statements

March 31, 2014

12. Budget

The budgets approved by Chief and Council were not prepared on a consolidated basis and do not include all of the activities of the First Nation. As a result, budget figures are only presented on a non-consolidated basis for programs where available.

13. Accumulated Surplus

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

| | 2014 | 2013 |
|------------------------------|---------------------|----------------------|
| Current funds | \$ (2,113,548) | \$ (1,330,065) |
| Investment in capital assets | 11,803,191 | 12,224,167 |
| Replacement reserve (note 9) | 194,929 | 159,250 |
| | \$ 9,884,572 | \$ 11,053,352 |

14. Aboriginal Affairs and Northern Development Canada Trusts

The trust accounts 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. These funds are restricted for their use, of which the Band is generally permitted to use for a purpose that will promote the general progress and welfare of the Band and Band members. The management of these funds is primarily governed by the sections of the Indian Act.

| | 2014 | 2013 |
|----------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 109,431 | \$ 106,808 |
| Interest | 2,771 | 2,623 |
| Balance, end of year | \$ 112,202 | \$ 109,431 |

Big Grassy River First Nation
Segmented Disclosure
For the year ended March 31, 2014

| | Band Support | Commercial and Other | Education | Health and Social Services | Housing | 2014 |
|--|-----------------|-------------------------|--------------|-------------------------------|--------------|----------------|
| Revenue | | | | | | |
| Government transfers | \$ 978,852 | \$ 64,595 | \$ 1,789,299 | \$ 1,201,517 | \$ 233,027 | \$ 4,267,290 |
| Commercial activity | - | 75,401 | - | - | - | 75,401 |
| Other income | 1,349,314 | 424,806 | 393,419 | 770,516 | 87,524 | 3,025,579 |
| | 2,328,166 | 564,802 | 2,182,718 | 1,972,033 | 320,551 | 7,368,270 |
| Expenditures | | | | | | |
| Amortization | 205,117 | - | 147,155 | 19,692 | 328,473 | 700,437 |
| Other expenses | 816,357 | 19,533 | 376,459 | 175,987 | 37,282 | 1,425,618 |
| Office, equipment, supplies and program expenses | 452,247 | 275,009 | 1,075,860 | 177,386 | 41,606 | 2,022,108 |
| Professional | 121,061 | - | 35,654 | 18,764 | 10,900 | 186,379 |
| Travel, training and meetings | 172,079 | 34,065 | 40,326 | 603,484 | 7,787 | 857,741 |
| Utilities, fuel and maintenance | 105,398 | 25,944 | 124,376 | 156,404 | 106,310 | 518,432 |
| Wages, benefits and honoraria | 931,375 | 154,782 | 760,592 | 871,642 | 107,944 | 2,826,335 |
| | 2,803,634 | 509,333 | 2,560,422 | 2,023,359 | 640,302 | 8,537,050 |
| Excess of revenue (expense) for the year | \$ (475,468) | \$ 55,469 | \$ (377,704) | \$ (51,326) | \$ (319,751) | \$ (1,168,780) |

Big Grassy River First Nation
Segmented Disclosure
For the year ended March 31, 2014

| | Band Support | Commercial and Other | Education | Health and Social Services | Housing | 2013 |
|---|-----------------|-------------------------|--------------|-------------------------------|--------------|--------------|
| Revenue | | | | | | |
| Government transfers | \$ 999,225 | \$ 44,438 | \$ 1,774,263 | \$ 1,180,108 | \$ 235,891 | \$ 4,233,925 |
| Sales | - | 16,595 | - | - | - | 16,595 |
| Other | 1,629,141 | 140,399 | 499,534 | 719,641 | 88,921 | 3,077,636 |
| | 2,628,366 | 201,432 | 2,273,797 | 1,899,749 | 324,812 | 7,328,156 |
| Expenditures | | | | | | |
| Amortization | 224,968 | - | 154,297 | 20,203 | 326,734 | 726,202 |
| Other expenses | 968,053 | 24,244 | 514,129 | 117,140 | 63,125 | 1,686,691 |
| Office, equipment, supplies and program expenses | 322,909 | 48,940 | 787,755 | 131,867 | 39,572 | 1,331,043 |
| Professional | 215,958 | - | 10,337 | 13,633 | 10,180 | 250,108 |
| Travel, training and meetings | 161,836 | 1,475 | 23,275 | 575,909 | 5,446 | 767,941 |
| Utilities, fuel and maintenance | 144,297 | 20,611 | 115,131 | 187,416 | 163,643 | 631,098 |
| Wages, benefits and honoraria | 1,026,079 | 45,576 | 757,857 | 879,382 | 54,929 | 2,763,823 |
| | 3,064,100 | 140,846 | 2,362,781 | 1,925,550 | 663,629 | 8,156,906 |
| Revenue over expenses (expenses over revenue) for the year | \$ (435,734) | \$ 60,586 | \$ (88,984) | \$ (25,801) | \$ (338,817) | \$ (828,750) |