

Big Grassy River First Nation
Financial Statements
For the year ended March 31, 2015

Big Grassy River First Nation
Financial Statements
For the year ended March 31, 2015

	Contents
Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Accumulated Surplus	7
Statement of Changes in Net Debt	8
Statement of Cash Flows	9
Summary of Significant Accounting Policies	10
Notes to Financial Statements	12
Segmented Financial Information	21

Management's Responsibility for Financial Reporting

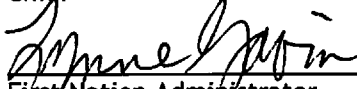
The accompanying consolidated financial statements of Big Grassy River First Nation are the responsibility of management and have been approved by the Chief and Council of the Band.

The 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 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 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 Big Grassy River First Nation and meet when required.

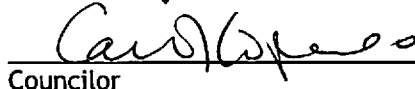
Chief



First Nation Administrator



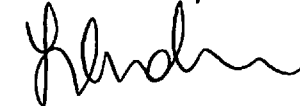
Councilor



Councilor



Councilor



Councillor

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, 2015, 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, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Other Matter

These financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures and have been prepared to assist management of Big Grassy River First Nation to meet the reporting requirements of various funding agencies. Our report is intended solely for management of Big Grassy River First Nation and various funding agencies. As a result, the financial statements should not be distributed to or used by other parties.

Big Grassy River First Nation has also prepared another set of financial statements for the year ended March 31, 2015 in accordance with Canadian public sector accounting standards. However, these financial statements do not include unaudited supplementary schedules. Our audit report on the other set of financial statements was issued to the members of Big Grassy River First Nation and was dated September 24, 2015.

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

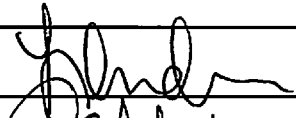
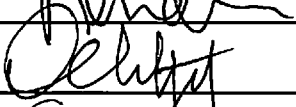
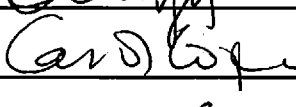
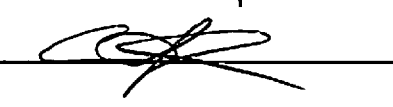
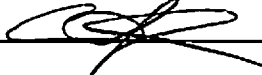
Chartered Accountants, Licensed Public Accountants

Kenora, Ontario
September 24, 2015

Big Grassy River First Nation Statement of Financial Position

March 31	2015	2014
		(Note 9)
Financial Assets		
Accounts receivable (Note 1)	\$ 436,907	\$ 540,974
Investment in New Gold Inc. (Note 15)	1,052,630	-
Trust funds held by Federal Government (Note 14)	<u>115,378</u>	<u>112,202</u>
Total Financial Assets	<u>1,604,915</u>	<u>653,176</u>
Liabilities		
Bank indebtedness (Note 4)	503,797	280,049
Accounts payable and accrued liabilities (Note 5)	1,332,158	1,225,963
Deferred revenue (Note 6)	-	24,483
Long term debt (Note 7)	<u>5,020,748</u>	<u>5,060,229</u>
Total Liabilities	<u>6,856,703</u>	<u>6,590,724</u>
Net Debt	<u>(5,251,788)</u>	<u>(5,937,548)</u>
Non-Financial Assets		
Prepaid expenses	-	5,758
Capital assets (Note 2)	<u>15,245,448</u>	<u>15,772,530</u>
	<u>15,245,448</u>	<u>15,778,288</u>
Accumulated surplus (Note 13)	<u>\$ 9,993,660</u>	<u>\$ 9,840,740</u>

Approved on behalf of the First Nation:

	Chief
	Councilor
	Councilor
	Councilor
	Councilor

Big Grassy River First Nation Statement of Operations

For the year ended March 31	Budget (Note 13)	2015	2014 (Note 9)
Revenue			
Aboriginal Affairs and Northern Development Canada - operating	\$ 3,086,206	\$ 2,839,906	\$ 3,000,485
Ministry of Community and Social Services - operating	357,306	642,768	605,633
Health Canada - operating	473,801	542,560	531,220
Weechi-It-Te-Win Family Services	539,144	565,057	581,808
Ontario First Nations Limited Partnership	574,350	590,006	575,606
Canada Mortgage and Housing Corporation	-	258,287	326,351
Ministry of Health	1,370	77,380	58,533
Shooniyaa Wa Biitong	42,224	104,931	95,723
Other	986,928	1,296,060	909,381
Share contribution - New Gold Inc.		1,052,630	-
	6,061,329	7,969,585	6,684,740
Revenue deferred from prior year	-	24,483	11,147
Revenue deferred to subsequent year	-	-	(24,483)
	6,061,329	7,994,068	6,671,404
Expenses			
Band Support	607,330	580,182	575,599
Governance Project	36,125	38,500	33,424
Ontario First Nations Limited Partnership	574,350	114,663	118,340
Pow Wow	38,300	38,302	41,451
Health Canada - HIV	4,486	8,364	5,468
Highway Claim	41,911	124,325	6,359
Health Canada - CHR	63,050	61,448	111,558
Health Canada - BFI	88,389	83,054	73,766
Health Canada - BHC	66,300	72,375	80,452
Health Canada - NNADAP	60,888	71,664	61,951
Health Canada - Operations, Maintenance and Other	68,887	84,705	87,799
Health Canada - ADI and Pandemic	17,601	28,951	19,135
Early Childhood Development	36,211	41,634	35,015
Medical Travel	126,905	167,740	210,951
Healthy Babies Healthy Children	36,657	40,101	26,573
AKRC	5,000	5,000	25,737
Green Plan	8,395	7,500	9,111
Secondary Education	426,678	381,526	505,834
Band Operated School	707,321	774,615	855,202
Post Secondary	497,257	540,025	582,715
Summer Student	64,008	37,955	53,303
Carried forward	3,576,049	3,302,629	3,519,743

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	Budget (Note 13)	2015	2014 (Note 9)
Brought Forward	\$ 3,576,049	\$ 3,302,629	\$ 3,519,743
Expenses - continued			
Education Operations and Maintenance	203,404	213,997	206,693
ShooniyaTeacherage	-	57,522	-
Library	43,464	36,483	33,770
Operations and Maintenance	448,647	699,384	671,357
Minor Capital	259,470	172,223	164,868
Flood Claim	147,734	299,204	236,350
Welfare	433,141	689,996	598,163
NCB	42,250	55,808	50,247
Weechi-It-Te-Win Family Services - Community Care Program	427,137	459,452	424,991
Weechi-It-Te-Win Family Services - Family Councilor	74,927	66,824	88,888
AHWS	62,091	61,422	53,030
Long Term Care	46,283	121,999	60,540
Shooniya and Training Reports	25,500	13,975	24,335
New Relationship Fund - Core Consultation	89,617	90,591	82,289
Economic Development	58,395	53,952	52,267
Assabaska Park	45,799	186,846	105,410
Rental Housing	-	603,380	534,161
Big Grassy Fish House	36,594	11,201	71,565
Fire Hall	-	735	-
CMHC - RRAP House Renovations	373,800	160,175	527,799
HRSOC New Horizons Revenue	5,500	26,199	-
Mishkosiminiziibing Development	-	70,260	39,857
Windy Point	-	94,954	56,615
Traditional Land Use/Traditional Knowledge IBA			
Negotiations	-	291,937	224,931
CEAA	-	-	9,544
	<u>6,399,802</u>	<u>7,841,148</u>	<u>7,837,413</u>
Annual surplus (deficit)	\$ (338,473)	\$ 152,920	\$ (1,166,009)

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

<u>For the year ended March 31</u>	<u>2015</u>	<u>2014</u>
		(Note 9)
Total surplus (deficit) for the year	\$ 152,920	\$ (1,166,009)
Accumulated surplus, beginning of year	<u>9,840,740</u>	<u>11,006,749</u>
Accumulated surplus, end of year (Note 14)	<u>\$ 9,993,660</u>	<u>\$ 9,840,740</u>

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	2015	2014
		(Note 9)
Annual deficit for the year	\$ 152,920	\$ (1,166,009)
Acquisition of capital assets	(170,720)	(89,955)
Amortization of capital assets	697,803	700,437
Net change in prepaid expenses	5,757	37,409
	685,760	(518,118)
Net debt, beginning of year	(5,937,548)	(5,419,430)
Net debt, end of year	\$ (5,251,788)	\$ (5,937,548)

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	2015	2014
		(Note 9)
Operating transactions		
Annual surplus (deficit)	\$ 152,920	\$ (1,166,009)
Adjustments for		
Amortization	<u>697,803</u>	<u>700,437</u>
	850,723	(465,572)
 Changes in non-cash working capital balances		
Short-term investments	(3,176)	(2,771)
Accounts receivable	104,067	141,404
Prepaid expenditures	5,758	37,409
Accounts payable	106,195	510,009
Deferred revenue	<u>(24,483)</u>	<u>13,336</u>
Share contribution - New Gold Inc.	(1,052,630)	-
	(13,546)	233,815
 Capital transactions		
Net change in long term debt	(39,483)	(4,231)
Purchase of capital assets	<u>(170,719)</u>	<u>(89,955)</u>
 Increase (decrease) in cash	(223,748)	139,629
Cash deficiency, beginning of year	<u>(280,049)</u>	<u>(419,678)</u>
Cash deficiency, end of year	<u>\$ (503,797)</u>	<u>\$ (280,049)</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, 2015

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.

Capital Assets

First Nation Operations

Capital assets are recorded at acquisition cost.

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

<u>Asset</u>	<u>Method</u>	<u>Rate</u>
School	Straight line	- 40 years
Housing	Straight line	- 40 years
Water project	Straight line	- 40 years
Medical building	Straight Line	- 40 years
Roundhouse	Straight Line	- 40 years
Fire hall	Straight Line	- 40 years
Other buildings	Straight Line	-40 years
Roads	Straight Line	- 40 years
Computer equipment	Declining balance basis	- 30%
Furniture and equipment	Declining balance basis	- 20%
Vehicles	Declining balance basis	- 30%

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. CMHC requires that the fund along with accumulated interest be held in a separate bank account. Big Grassy River First Nation has not complied with this requirement.

Big Grassy River First Nation Summary of Significant Accounting Policies

March 31, 2015

Revenue Recognition	<p>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.</p> <p>Park revenue is recognized once the service delivery activities have been satisfied, typically as guests arrive.</p> <p>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.</p>
Use of Estimates	<p>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.</p>
Pension Plan	<p>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.</p>
Investments	<p>Portfolio investments are recorded at cost.</p>

Big Grassy River First Nation Notes to Financial Statements

March 31, 2015

1. Accounts Receivable

	2015	2014
		(Note 9)
Band member advances	\$ 327,485	\$ 315,163
Accounts receivable - General	293,300	397,366
Accounts receivable - Onegaming	311,655	269,190
	<u>932,440</u>	<u>981,719</u>
Allowance for doubtful accounts	495,533	440,745
	<u>\$ 436,907</u>	<u>\$ 540,974</u>

Big Grassy River First Nation Notes to Financial Statements

March 31, 2015

2. Capital Assets

	Cost			Accumulated Amortization				2015	2014
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Disposals and Write-downs	Closing Balance	Net Book Value
									Net Book Value
									(Note 9)
School	\$ 5,169,214	\$ -	\$ -	\$ 5,169,214	\$ 1,679,993	\$ 129,230	\$ -	\$ 1,809,223	\$ 3,359,991
Housing	12,620,867	-	-	12,620,867	4,426,950	328,473	-	4,755,423	7,865,444
Water project	4,297,309	-	-	4,297,309	1,933,790	107,433	-	2,041,223	2,256,086
Medical building	728,292	-	-	728,292	291,315	18,207	-	309,522	418,770
Roundhouse	227,626	-	-	227,626	51,218	5,691	-	56,909	170,717
Fire Hall	324,844	-	-	324,844	31,732	8,121	-	39,853	284,991
Other buildings	1,174,911	85,342	-	1,260,253	606,398	60,339	-	666,737	593,516
Roads	401,936	-	-	401,936	401,936	-	-	401,936	-
Computer Equipment	111,612	-	-	111,612	80,361	9,375	-	89,736	21,876
Furniture and equipment	341,482	16,190	-	357,672	225,823	24,187	-	250,010	107,662
Vehicles	655,604	69,187	-	724,791	551,651	6,745	-	558,396	166,395
	<u>\$26,053,697</u>	<u>\$ 170,719</u>	<u>\$ -</u>	<u>\$26,224,416</u>	<u>\$ 10,281,167</u>	<u>\$ 697,801</u>	<u>\$ -</u>	<u>\$ 10,978,968</u>	<u>\$ 15,245,448</u>
									<u>\$ 15,772,530</u>

Big Grassy River First Nation Notes to Financial Statements

March 31, 2015

3. Trust Assets

	2015	2014 (Note 9)
Ah-Shoo-Gun Trust		
Cash	\$ 197,355	\$ 146,432
Common stocks	897,128	922,335
Fixed income securities	859,976	917,327
	<u>\$ 1,954,459</u>	<u>\$ 1,986,094</u>
Kiitakiinaan Trust		
Cash	\$ 252,199	\$ 311,275
Short term investments	-	351,859
Long term investments	2,553,313	2,199,854
	<u>\$ 2,805,512</u>	<u>\$ 2,862,988</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	\$ 1,986,094	\$ 2,187,439
Increase (decrease) in market value of investments	13,276	(260,275)
Interest and investment income earned	33,218	95,666
Trustee fees	(17,429)	(16,858)
Transfer to band	(44,868)	
Honorariums and other expenses	(15,832)	(19,878)
Balance, end of year	<u>\$ 1,954,459</u>	<u>\$ 1,986,094</u>

Equity in Kiitakiinaan Trust

Balance, beginning of year	\$ 2,862,988	\$ 2,956,223
Interest and investment income earned	88,261	42,765
Trustee fees		(15,523)
Transfer to band	-	648
Honorariums and other expenses	(145,737)	(121,125)
Balance, end of year	<u>\$ 2,805,512</u>	<u>\$ 2,862,988</u>

Big Grassy River First Nation Notes to Financial Statements

March 31, 2015

4. Bank Indebtedness

The First Nation has an approved operating line of credit with the CIBC in the amount of \$200,000, 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. There was no unused credit capacity at the year end.

5. Accounts Payable and Accrued Liabilities

	<u>2015</u>	<u>2014</u> (Note 9)
Accounts payable - General	\$ 1,066,036	\$ 959,841
Infrastructure payable	<u>266,122</u>	<u>266,122</u>
	<u>\$ 1,332,158</u>	<u>\$ 1,225,963</u>

6. Deferred Revenue

	<u>2015</u>	<u>2014</u> (Note 9)
Other projects	\$ -	<u>\$ 24,483</u>

Big Grassy River First Nation Notes to Financial Statements

March 31, 2015

7. Long Term Debt

	2015	2014 (Note 9)
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	\$ 416,943	\$ 465,473
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	401,822	422,030
CMHC loan - interest at 2.35%, requiring monthly payments of \$3,405 commencing August 2008, secured by an assignment of fire insurance and a ministerial guarantee, renewal date September 2019	608,831	635,127
CIBC Truck Loan, repayable \$470 per month plus interest at 4.6%	23,454	-
CMHC Loan - interest at 2.87%, repayable \$3,865 monthly, secured by a general security agreement, renewal date December 2019	696,007	722,822
CMHC loan - interest rate at 2.78%, repayable \$3,686 monthly, renewal August 2015	687,340	712,199
AANDC Flood Claim, repayable in full from proceeds on flood claim	1,039,227	910,019
CMHC Loan, 7 unit housing, repayable \$4,725 monthly including interest at 2.65%, renewal date April 2016	915,229	947,338
AANDC affairs highway claim, repayable in full in from proceeds on claim settlement	178,622	178,622
CIBC School Bus Loan, repayable \$1,100 monthly plus interest at 4.5%, secured by school bus, maturing March 2020	53,273	66,599
	<u>\$ 5,020,748</u>	<u>\$ 5,060,229</u>

Big Grassy River First Nation Notes to Financial Statements

March 31, 2015

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:

2016	\$ 2,078,824
2017	1,026,987
2018	486,956
2019	343,545
2020	1,084,436
Thereafter	-
	<u>\$ 5,020,748</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 \$234,254.

<u>For the year ended March 31</u>				<u>2015</u>	<u>2014</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>
					(Note 9)
Balance, beginning of year	\$ 82,200	\$ 21,700	\$ 91,029	\$ 194,929	\$ 159,250
Allocation for the year	15,700	3,150	20,475	39,325	35,679
Balance, end of year	\$ 97,900	\$ 24,850	\$ 111,504	\$ 234,254	\$ 194,929

Big Grassy River First Nation Notes to Financial Statements

March 31, 2015

9. Prior Period Adjustments

The comparative figures have been restated to correct an error in the recording of loan proceeds received in 2003/2004 but categorized as revenue and revenue received in 2012 that was categorized as a loan. As a result of this restatement, the comparative figures have been adjusted as follows:

Increase in long term debt	\$156,034
Decrease in opening accumulated surplus	\$156,034

Big Grassy River First Nation has trust funds that are held in trust in the Consolidated Revenue Fund of the Government of Canada. These funds have been disclosed in the prior year financial statements but were not recorded. The prior year figures have been retroactively adjusted as follows:

Statement of Financial Position

Increase in trust funds held by the Federal	\$112,202
Increase in annual surplus	2,771
Increase in opening 2014 accumulated surplus	\$109,431

Statement of Operations

Increase in other revenue	\$2,771
Increase in annual surplus	\$2,771

10. Contingent Liability

A complaint has been filed by a former employee against the First Nation for unjust dismissal claiming \$177,000 in damages. The outcome of the dispute is not yet determinable and consequently, no accrual has been made for the liability in the financial statements.

11. Defined Contribution Pension Plan

The expense for the First Nations pension plan for the year was \$37,177 (2014 - \$52,815). The plan is funded by the First Nations employees at the rate of 5.3% of the employees' salary.

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.

Big Grassy River First Nation Notes to Financial Statements

March 31, 2015

13. Accumulated Surplus

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

	2015	2014 (Note 9)
Current funds	\$ (2,851,151)	\$ (2,269,582)
Investment in capital assets	11,442,549	11,803,191
Investment in share capital	1,052,630	-
Investment in AANDC trust funds	115,378	112,202
Replacement reserve (Note 8)	234,254	194,929
	<u>\$ 9,993,660</u>	<u>\$ 9,840,740</u>

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.

	2015	2014 (Note 9)
Balance, beginning of year	\$ 112,202	\$ 109,431
Interest	3,176	2,771
Balance, end of year	<u>\$ 115,378</u>	<u>\$ 112,202</u>

15. Government Transfers

	Operating	Capital	2015 Total	Operating	Capital	2014 Total (Note 9)
Federal						
AANDC	\$ 2,823,185	\$ 16,721	\$ 2,839,906	\$ 2,984,075	\$ 16,410	\$ 3,000,485
Health Canada	507,630	34,930	542,560	531,220	-	531,220
CMHC	258,287	-	258,287	575,606	-	575,606
Sub-total	3,589,102	51,651	3,640,753	4,090,901	16,410	4,107,311
Provincial	720,148	-	720,148	664,166	-	-
Total	<u>\$ 4,309,250</u>	<u>\$ 51,651</u>	<u>\$ 4,360,901</u>	<u>\$ 4,090,901</u>	<u>\$ 16,410</u>	<u>\$ 4,107,311</u>

Big Grassy River First Nation Notes to Financial Statements

March 31, 2015

16. Participation Agreement and Investment in New Gold Inc.

During the year, the First Nation entered into an agreement with New Gold Inc. in respect to the mining project being undertaken on the First Nation's territory. Under the terms of this agreement, the First Nation is to receive the following:

- Annual fixed payments of \$78,000 to offset the costs of the First Nation employing an environmental monitor plus a further annual fixed payment of \$210,000.
- Royalty payments of .5% of the gross revenue generated by New Gold Inc. (minimum of \$52,500 per quarter).
- Funding for Education of \$150,000 annually

In addition, as further compensation for entering into the agreement, the First Nation received 181,488 common shares of New Gold Inc. At the time of issuance, these shares had a market value of \$1,052,630. These shares were recorded as an investment at their fair market value at the time of their receipt with an offset to revenue. At March 31, 2015, these shares had a market value of \$771,324. First Nation management considers this decline in value to be temporary.

17. 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.

Big Grassy River First Nation
Segmented Disclosure
For the year ended March 31, 2015

	Band Support	Commercial and Other	Education	Health and Social Services	Housing	2015
Revenue						
Government transfers	\$ 1,029,366	\$ 11,473	\$ 1,827,744	\$ 1,290,273	\$ 220,198	\$ 4,379,054
Commercial activity	-	53,521	-	-	-	53,521
Other income	2,283,470	488,907	26,252	713,322	49,542	3,561,493
	<u>3,312,836</u>	<u>553,901</u>	<u>1,853,996</u>	<u>2,003,595</u>	<u>269,740</u>	<u>7,994,068</u>
Expenditures						
Amortization	202,080	-	141,778	25,472	-	369,330
Other expenses	544,296	13,433	24,670	52,159	158,455	793,013
Office, equipment, supplies and program expenses	247,211	169,789	904,193	175,715	358,286	1,855,194
Professional	273,954	-	36,118	21,217	11,497	342,786
Travel, training and meetings	136,511	63,984	52,008	660,787	2,593	915,883
Utilities, fuel and maintenance	102,147	27,238	104,880	188,879	270,953	694,097
Wages, benefits and honoraria	800,625	315,455	743,789	940,347	70,629	2,870,845
	<u>2,306,824</u>	<u>589,899</u>	<u>2,007,436</u>	<u>2,064,576</u>	<u>872,413</u>	<u>7,841,148</u>
Excess of revenue (expense) for the year	<u>\$ 1,006,012</u>	<u>\$ (35,998)</u>	<u>\$ (153,440)</u>	<u>\$ (60,981)</u>	<u>\$ (602,673)</u>	<u>152,920</u>

Big Grassy River First Nation
Segmented Disclosure
For the year ended March 31, 2015

	Band Support	Commercial and Other	Education	Health and Social Services	Housing	2014 (Note 9)
Revenue						
Government transfers	\$ 1,126,550	\$ 14,905	\$ 1,798,248	\$ 1,203,614	\$ 233,027	\$ 4,376,344
Sales	-	64,595	-	-	-	64,595
Other	1,092,513	351,000	71,419	674,209	41,324	2,230,465
	<u>2,219,063</u>	<u>430,500</u>	<u>1,869,667</u>	<u>1,877,823</u>	<u>274,351</u>	<u>6,671,404</u>
Expenditures						
Amortization	205,117	-	147,155	19,692	-	371,964
Other expenses	388,632	2,250	54,459	109,362	201,590	756,293
Office, equipment, supplies and program expenses	453,369	271,208	1,084,809	177,386	338,805	2,325,577
Professional	121,061	-	35,654	18,764	10,900	186,379
Travel, training and meetings	172,079	34,065	35,018	603,484	7,787	852,433
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
	<u>2,377,031</u>	<u>488,249</u>	<u>2,242,063</u>	<u>1,956,734</u>	<u>773,336</u>	<u>7,837,413</u>
Revenue over expenses (expenses over revenue) for the year	<u>\$ (157,968)</u>	<u>\$ (57,749)</u>	<u>\$ (372,396)</u>	<u>\$ (78,911)</u>	<u>\$ (498,985)</u>	<u>\$ (1,166,009)</u>



Tel: 807 468 5531
Fax: 807 468 9774
www.bdo.ca

BDO Canada LLP
301 First Avenue S, Suite 300
Kenora ON P9N 4E9 Canada

Review Engagement Report

To the Members of
Big Grassy River First Nation

At the request of Big Grassy River First Nation, we have reviewed the Schedule of Remuneration and Expenses - Elected Officials for the year ended March 31, 2015, calculated pursuant to the requirements of Aboriginal Affairs and Northern Development Canada Year-End Reporting Handbook dated 2014-2015. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by Council.

A review does not constitute an audit and consequently we do not express an audit opinion on this Schedule of Remuneration and Expenses - Elected Officials.

Based on our review, nothing has come to our attention that causes us to believe that this Schedule of Remuneration and Expenses - Elected Officials is not, in all material respects, in accordance with the requirements of the Aboriginal Affairs and Northern Development Canada Year-End Reporting Handbook dated 2014-2015.

Chartered Accountants, Licensed Public Accountants

Kenora, Ontario
September 24, 2015

Big Grassy River First Nation

Schedule of Remuneration and Expenses - Elected Officials

For the year ended March 31, 2015

Name of Individual	Position Title	Number of Months (Note 1)	Remuneration (Note 2,4)	Expenses (Note 3, 4)
Carl Tuesday	Chief	12	\$ 69,100	\$ 29,043
Carol Copenace	Councillor	12	81,167	17,332
Chris Jack	Councillor	12	62,000	19,727
James Comegan	Councillor	12	75,800	21,922
Lynn Indian	Councillor	12	24,874	10,326
Jeff Morrison	Councillor	9	9,250	1,655
Deb Whetzel	Councillor	3	14,288	2,320

Notes:

1. The number of months during the fiscal year that the individual was a chief or councillor.
2. As per the First Nations Financial Transparency Act, "remuneration" means any salaries, wages, commissions, bonuses, fees, honoraria and dividends and any other monetary benefits (other than the reimbursement of expenses) and non-monetary benefits.
3. As per the First Nations Financial Transparency Act, "expenses" include the costs of transportation, accommodation, meals, hospitality and incidental expenses.
4. The remuneration and expenses presented above include remuneration paid and expenses reimbursed to the First Nation's chief and each of its councillors, acting in their capacity as such and in any other capacity, including their personal capacity, by the First Nation and by any entity controlled by the First Nation.