

Big River First Nation

Consolidated Financial Statements
March 31, 2015

Management's Responsibility for the Consolidated Financial Statements

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

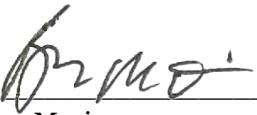
Management is responsible for the integrity and objectivity of these consolidated financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Chief and 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 Chief and Council meets periodically with management and 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 consolidated financial statements and the external auditor's report.

The external auditors, PricewaterhouseCoopers LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Big River First Nation and meet when required.

On behalf of Big River First Nation:



Bruce Morin
Chief



Derek Klein
Administrator

August 26, 2015

August 26, 2015

Independent Auditor's Report

To the Chief and Council of Big River First Nation

We have audited the accompanying consolidated financial statements of Big River First Nation, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Big River First Nation as at March 31, 2015 and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Big River First Nation

Consolidated Statement of Financial Position

As at March 31, 2015

	2015	2014
	\$	\$
Financial assets		
Cash (note 2)	737,058	69,299
Temporary investments	260,690	174,620
Accounts receivable (note 3)	667,772	1,093,357
Trust funds held by federal government (note 4)	36,349	35,085
Inventories for resale	100,757	61,687
Due from government and other government organizations (note 5)	67,413	200,942
Portfolio investments (note 6)	72,005	72,005
Investments in government business enterprises (note 7)	-	-
	<hr/>	<hr/>
	1,942,044	1,706,995
Financial liabilities		
Bank overdrafts (note 2)	-	112,992
Accounts payable and accrued liabilities (note 8)	348,637	144,984
Deferred revenue (note 9)	398,388	487,782
Long-term debt (note 10)	2,811,225	3,416,851
	<hr/>	<hr/>
	3,558,250	4,162,609
Net debt	<hr/>	<hr/>
	(1,616,206)	(2,455,614)
Non-financial assets		
Tangible capital assets (note 21)	21,210,557	21,762,681
Prepaid expenses	16,300	-
	<hr/>	<hr/>
	21,226,857	21,762,681
Accumulated surplus (note 15)	<hr/>	<hr/>
	19,610,651	19,307,067
Employee future benefits (note 11)		
Contingent liabilities (note 12)		

Approved by the Chief and Council

 Chief  Councillor

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

Big River First Nation

Consolidated Statement of Operations

For the year ended March 31, 2015

	Budget \$ (note 18)	2015 \$	2014 \$
Revenues			
Federal government transfers for operating (note 13)	11,397,222	11,322,799	11,124,394
Miami Gas Bar	-	3,981,416	3,930,591
First Nations Trust	1,343,400	1,343,400	1,214,899
AC Forestry Ltd.	1,164,641	1,164,641	822,124
Agency Chiefs Tribal Council	505,211	503,211	478,653
Provincial government transfers for operating (note 13)	370,942	346,607	351,916
Rent	226,859	220,608	141,185
Agency Chiefs Child & Family Services	198,000	198,000	266,750
Northern Lights Development Corporation	169,698	169,698	197,722
Other	304,514	166,935	189,544
Cattle ranch	156,379	156,379	109,416
Tuition	129,417	115,417	110,350
Bingo	84,811	84,784	110,581
User fees	76,991	82,435	73,754
Federal government transfers for capital (note 13)	-	75,000	75,000
Amounts earned and held in trust by federal government	-	1,264	1,378
Loss from investment in government business enterprises	-	-	(48,433)
	16,128,085	19,932,594	19,149,824
Expenses (note 14)			
Education	5,661,572	6,072,708	6,194,645
Band owned	1,796,387	5,953,159	5,956,963
Band government	2,187,371	2,267,677	2,270,026
Health	1,912,355	1,784,217	2,009,487
Facilities maintenance	1,719,299	1,683,559	1,636,182
Amortization of tangible capital assets	-	1,255,794	1,792,190
Capital projects	618,311	611,896	586,237
	13,895,295	19,629,010	20,445,730
Surplus (deficit) for the year (note 16)	2,232,790	303,584	(1,295,906)
Accumulated surplus – Beginning of year	19,307,067	19,307,067	20,602,973
Accumulated surplus – End of year (note 15)	21,539,857	19,610,651	19,307,067
Segment disclosure (note 20)			

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

Big River First Nation

Consolidated Statement of Changes in Net Debt

For the year ended March 31, 2015

	Budget \$ (note 18)	2015 \$	2014 \$
Surplus (deficit) for the year	2,232,790	303,584	(1,295,906)
Purchase of tangible capital assets	-	(703,670)	(406,074)
Amortization of tangible capital assets	-	1,255,794	1,792,190
Increase in prepaid expenses	-	(16,300)	-
Change in net debt	2,232,790	839,408	90,210
Net debt – Beginning of year	<u>(2,455,614)</u>	<u>(2,455,614)</u>	<u>(2,545,824)</u>
Net debt – End of year	<u>(222,824)</u>	<u>(1,616,206)</u>	<u>(2,455,614)</u>

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

Big River First Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2015

	2015 \$	2014 \$
Operating activities		
Surplus (deficit) for the year	303,584	(1,295,906)
Items not affecting cash		
Amortization of tangible capital assets	1,255,794	1,792,190
Amounts earned and held in trust by federal government	(1,264)	(1,378)
Loss from investment in government business enterprises	-	48,433
Net change in non-cash charges to operations (note 17)	618,003	593,367
	<hr/>	<hr/>
	2,176,117	1,136,706
Investing activities		
Decrease (increase) in temporary investments, net of proceeds from redemption	(86,070)	53,022
Financing activities		
Debt issues	570,000	250,000
Debt retirement	(1,175,626)	(1,098,338)
	<hr/>	<hr/>
	(605,626)	(848,338)
Capital activities		
Purchase of tangible capital assets	(703,670)	(406,074)
Change in net cash		
Net cash – Beginning of year	780,751	(64,684)
Net cash – End of year	(43,693)	20,991
	<hr/>	<hr/>
Net cash is comprised of	737,058	(43,693)
Cash	737,058	69,299
Bank overdrafts	-	(112,992)
	<hr/>	<hr/>
	737,058	(43,693)
Supplementary cash flow information		
Interest paid in the year	126,060	133,332

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

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2015

1 Summary of significant accounting policies

a) Basis of accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

b) Reporting entity

The Big River First Nation reporting entity includes the Big River First Nation government and all related entities that are controlled by the Big River First Nation (the First Nation).

c) Principles of consolidation

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

Under the modified equity method of accounting, only the First Nation's investment in the government business enterprise and the enterprise's net income (or net loss) and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation.

Organizations consolidated in the First Nation's financial statements include the Miami Gas Bar and BRFN Holdings Incorporated. Organizations accounted for on a modified equity basis include Horizon Interiors Limited Partnership, AC Forestry Ltd., and Mid North West Homes.

d) Cash

Cash includes cash on hand and balances with banks. Bank overdrafts are presented as a liability on the consolidated statement of financial position and are considered a component of net cash for purposes of the consolidated statement of cash flows.

e) Temporary investments

Temporary investments are recorded at cost and consist of term deposits and mutual funds having a maturity of up to one year at acquisition which are held for the purpose of earning interest.

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2015

f) Inventories for resale

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

g) Portfolio investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

h) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Amortization is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

Roads	30 years
Buildings and structures	20 years
Breeding livestock	10 years
Vehicles and equipment	5 – 10 years
Computer equipment	3 – 5 years
Furniture and fixtures	3 – 5 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

i) 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 when 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 that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

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Notes to Consolidated Financial Statements

March 31, 2015

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

j) Measurement uncertainty

The preparation of the consolidated financial statements in conformity with Canadian Public Sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Items requiring the use of significant estimates include the recoverability of accounts receivable and the useful lives of tangible capital assets. Actual results could differ from these estimates.

2 Cash and bank overdrafts

	2015 \$	2014 \$
Unrestricted cash Operating	523,949	-
Restricted cash Capital projects	213,109	69,299
Unrestricted bank overdrafts Operating	-	(112,992)
Total cash and bank overdrafts, net	<u>737,058</u>	<u>(43,693)</u>

3 Accounts receivable

	2015 \$	2014 \$
Other advances and receivables	165,094	269,339
Advances to membership and staff	128,087	90,118
Agency Chiefs Tribal Council	117,837	23,402
Advances to Chief and Council	93,257	92,976
Miami Gas Bar customer receivables	89,052	76,031
GST receivable	50,195	37,467
Agency Chiefs Child and Family Services	24,250	9,250
AC Forestry Ltd.	-	494,774
	<u>667,772</u>	<u>1,093,357</u>

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Notes to Consolidated Financial Statements

March 31, 2015

4 Trust funds held by federal government

	March 31, 2014 \$	Additions \$	Withdrawals \$	March 31, 2015 \$
Revenue Capital	23,256 11,829	1,264 -	-	24,520 11,829
	<hr/>	<hr/>	<hr/>	<hr/>
	35,085	1,264	-	36,349

	March 31, 2013 \$	Additions \$	Withdrawals \$	March 31, 2014 \$
Revenue Capital	21,878 11,829	1,378 -	-	23,256 11,829
	<hr/>	<hr/>	<hr/>	<hr/>
	33,707	1,378	-	35,085

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

5 Due from government and other government organizations

	2015 \$	2014 \$
Federal government		
Aboriginal Affairs and Northern Development Canada	22,376	83,271
Health Canada	-	8,756
Provincial government and other government organizations	45,037	108,915
	<hr/>	<hr/>
	67,413	200,942

6 Portfolio investments

	2015 \$	2014 \$
Corman Park Developments	50,000	50,000
First Nations Bank of Canada	22,005	22,005
	<hr/>	<hr/>
	72,005	72,005

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Notes to Consolidated Financial Statements

March 31, 2015

7 Investments in government business enterprises

The First Nation owns 49.95% of Horizon Interiors Limited Partnership, 33% of AC Forestry Ltd., and 17% of Mid North West Homes. The First Nation's investments in government business enterprises are nil as at March 31, 2015 (2014 – nil),

The First Nation has an ownership interest of 49.95% in the corporate entities which are the limited and general partners of Horizon Interiors Limited Partnership. At March 31, 2015 there is total available debt of \$600,000 consisting of a) letter of credit of \$100,000 maximum (bearing interest at 9.75% and due on demand); b) mortgage of \$425,000 maximum (bearing interest at 6.75% and due in monthly payments of \$5,000); and c) loan with maximum limit of \$75,000 (bearing interest at 9.75% and due on demand). The maximum available debt of \$600,000 is secured by a general security agreement, a specific security agreement over inventory and accounts receivable and a first and second interest in certain real property. At March 31, 2015 there were no amounts drawn on the letter of credit, \$391,955 was drawn on the mortgage and \$75,000 was drawn on the loan for a total of \$466,955.

8 Accounts payable and accrued liabilities

	2015 \$	2014 \$
Trade payables	242,572	78,384
Other accrued liabilities	106,065	66,600
	<hr/> 348,637	<hr/> 144,984

9 Deferred revenue

	Balance at March 31, 2014 \$	Funding received \$	Revenue recognized \$	Balance at March 31, 2015 \$
Federal government				
Capital projects	118,834	75,000	(66,733)	127,101
Other	368,948	11,051,153	(11,148,814)	271,287
	<hr/> 487,782	<hr/> 11,126,153	<hr/> (11,215,547)	<hr/> 398,388

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2015

	Balance at March 31, 2013 \$	Funding received \$	Revenue recognized \$	Balance at March 31, 2014 \$
Federal government				
Capital projects	61,991	75,000	(18,157)	118,834
Other	3,532	11,393,282	(11,027,866)	368,948
	65,523	11,468,282	(11,046,023)	487,782

Federal and provincial government transfers related to capital projects are recognized in the year to the extent that the related capital project costs are incurred. Other federal government transfers deferred represent unexpended set and fixed funding received from Aboriginal Affairs and Northern Development Canada.

10 Long-term debt and obligations under capital leases

	2015 \$	2014 \$
Demand loan due on October 31, 2016, repayable in annual principal instalments of \$100,000 plus monthly accrued interest at prime plus 0.5%; with a Band Council Resolution as security in addition to a guarantee of debts by BRFN Holdings Incorporated and a collateral mortgage for \$100,000 giving the lender a first charge over certain farm land.	192,500	292,500
Demand loan due November 1, 2016, repayable in monthly principal instalments of \$1,460 plus accrued interest at prime plus 0.5%; with a Band Council Resolution as security in addition to a ministerial guarantee from AANDC and an irrevocable Letter of Direction to the RCMP to forward all future rental payments directly to the lender.	29,000	46,520
Demand loan due April 7, 2017, repayable in quarterly principal instalments of \$50,000 plus accrued interest at prime plus 0.5%; with a Band Council Resolution as security which includes instructions to First Nations Trust to forward all future funding to the lender.	415,000	615,000
Demand loan due October 1, 2017, repayable in monthly blended instalments of \$5,714 at a fixed rate of 4.28%; with a Band Council Resolution as security in addition to acknowledged assignment of adequate insurance on the daycare facility, with first loss payable to the lender.	167,403	227,403
Demand loan due October 1, 2017, repayable in monthly principal instalments of \$3,500 plus accrued interest at prime plus 0.5%; secured with a Band Council Resolution.	108,500	150,500
Demand loan due May 1, 2018, repayable in monthly principal instalments of \$4,167 plus accrued interest at prime plus 0.5%; secured with a Band Council Resolution.	158,333	208,333

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Notes to Consolidated Financial Statements

March 31, 2015

Demand loan due October 1, 2019, repayable in monthly blended instalments of \$11,733 at a fixed rate of 4.34%; with a Band Council Resolution as security which includes a commitment to use AANDC capital funding to fund principal payments in the event the rental income from the lease of the group home is insufficient to fund principal payments, in addition to an acknowledged assignment of adequate insurance on the group home with first loss payable to the lender and assignment of the lease with Agency Chiefs Child and Family Services Corp. for the group home.	584,240	697,013
Demand loan due August 1, 2020, repayable in monthly principal instalments of \$1,250 plus accrued interest at prime plus 0.5%; with a Band Council Resolution as security in addition to a guarantee of debts by BRFN Holdings Incorporated and a collateral mortgage for \$150,000 giving the lender a first charge over certain farm land.	81,250	96,250
Demand loan due April 1, 2025, repayable in annual principal instalments of \$88,636 plus monthly accrued interest at prime plus 0.5%; with a Band Council Resolution as security which includes instructions to AANDC to forward capital disbursements to the lender until the loan is repaid in full.	974,999	883,332
Obligations under capital leases (see detail on next page)	100,000	200,000
	<hr/>	<hr/>
	2,811,225	3,416,851

Anticipated annual principal repayments over the next five years are estimated to be as follows:

	\$
2016	793,543
2017	687,949
2018	360,993
2019	267,330
2020	169,593

Interest expense on long term debt for the year ended March 31, 2015 was \$126,060 (2014 – \$133,332).

During the year ended March 31, 2015 the First Nation established new credit facilities with its lender, consisting of revolving lines of credit, term facilities, standby letters of credit, standby letters of guarantee, and a corporate credit card. The total maximum approved amount of the credit facilities is \$7,920,426.

The revolving lines of credit of \$500,000 and \$35,000 are available by way of business operating account overdrafts and are to be used for day to day cash flow requirements of the First Nation and the Miami Gas Bar, respectively. Interest is calculated at prime plus 1%. Security is in the form of Band Council Resolutions.

The term facilities total \$7,280,426 and relate to the nine demand loans in place at March 31, 2015, which had principal outstanding at March 31, 2015 of \$2,711,225. The terms of all nine term facilities are consistent with those disclosed above.

The standby letters of credit and standby letters of guarantee are available to the First Nation for payment of invoices and have a credit limit of \$75,000. Letters of credit may not have terms to expiry of more than 12 months from the date of issue. The corporate credit card has a credit limit of \$30,000, is to be used for purchase and payment of goods and services, and is repayable on demand.

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Notes to Consolidated Financial Statements

March 31, 2015

The overall credit facility is secured by a security agreement granting a first security interest in all present and acquired personal property and a letter of acknowledgement from AANDC to direct all present and future funding of the First Nation to the lender, in addition to the security for each individual item noted in the table above. The standby letters of credit and standby letters of guarantee are secured by an Investment Property Pledge Agreement from the First Nation pledging hypothecation of its mutual fund account in the amount of \$75,000. The mutual fund account is included in temporary investments on the consolidated statement of financial position.

Obligations under capital leases

The First Nation, through BRFN Holdings Incorporated (BRFN Holdings), entered into a purchase agreement for certain lands and leases on those lands, the total purchase price for which was \$350,000. The purchase is subject to BRFN Holdings obtaining approval of assignment of leases for all lands purchased from Her Majesty The Queen. In the event of default and cancellation of the agreement by BRFN Holdings, BFRN Holdings shall be entitled to retain only the land that has already been transferred from the vendors and is to take all steps required to affect the return of the leases to the vendors. Interest is payable at 6% per annum on any overdue payments. A final payment of \$100,000 is due July 31, 2015.

11 Employee future benefits

The First Nation provides defined contribution plans for eligible members of its staff. Members of the plans are required to contribute 3% to 5% of their salary, and the First Nation matches the employees' contributions. The First Nation contributed \$244,043 during the year ended March 31, 2015 (2014 - \$237,577), which is recognized as an expense in the consolidated statement of operations. The First Nation does not have any other obligations with regard to the defined contribution plans as at March 31, 2015.

12 Contingent liabilities

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

In addition, in the normal course of operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded.

The First Nation is liable for any environmental obligations related to the future decommissioning of the Miami Gas Bar. No provision has been made for environmental remediation liabilities associated with the Miami Gas Bar. Although it is probable that a liability has been incurred as of March 31, 2015, the amount of the obligation cannot be reliably estimated.

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Notes to Consolidated Financial Statements

March 31, 2015

13 Government transfers

	Operating \$	Capital \$	2015 Total \$
Federal government transfers			
Aboriginal Affairs and Northern Development Canada (note 19)	10,197,137	75,000	10,272,137
Health Canada	906,140	-	906,140
Canada Mortgage and Housing Corporation	219,522	-	219,522
Provincial government transfers			
11,322,799	75,000	11,397,799	
346,607	-	346,607	
	11,669,406	75,000	11,744,406

	Operating \$	Capital \$	2014 Total \$
Federal government transfers			
Aboriginal Affairs and Northern Development Canada	10,120,273	75,000	10,195,273
Health Canada	850,750	-	850,750
Canada Mortgage and Housing Corporation	153,371	-	153,371
Provincial government transfers			
11,124,394	75,000	11,199,394	
351,916	-	351,916	
	11,476,310	75,000	11,551,310

Provincial rebates on products purchased by the Miami Gas Bar of \$630,791 (2014 – \$638,176) are applied directly to products purchased and reduce cost of sales within band owned expenditures on the consolidated statement of operations.

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Notes to Consolidated Financial Statements

March 31, 2015

14 Expenses by object and misappropriation of funds

	Budget \$	2015 \$	2014 \$
Salaries and wages	6,575,202	7,107,658	7,116,851
Cost of sales	-	3,413,714	3,303,677
Amortization	-	1,255,794	1,792,190
Supplies, materials and sundry	1,244,313	1,246,068	1,311,779
Travel	811,100	882,070	998,979
Training activities	707,684	724,989	873,056
Student support	714,550	713,568	783,371
Repairs and maintenance	567,113	673,504	518,505
Executive management fees	445,045	600,621	456,001
Tuition	353,000	478,001	411,814
Utilities	322,904	385,401	395,501
Membership support	402,000	376,680	319,861
Training and workshops	252,852	264,253	303,576
Other	-	235,000	450,000
Professional fees	189,500	206,295	207,339
Recreation	496,768	160,208	179,643
Bank charges and interest	186,726	150,100	174,702
Bad debt write-offs	-	131,494	150,000
Projects	95,643	112,475	129,116
Fuel	86,682	102,680	105,697
Elders	100,550	93,400	93,671
Insurance	43,540	84,634	90,173
Equipment leases	86,386	78,295	84,886
Cultural activities	97,500	63,193	70,839
Contractor fees	53,400	48,213	46,642
Rent	20,200	19,199	41,983
Administration fees	35,437	14,303	25,978
Child care	7,200	7,200	9,900
	<hr/>	<hr/>	<hr/>
	13,895,295	19,629,010	20,445,730

During the year, the First Nation became aware of misappropriation of funds by a group of employees of the First Nation up to September 30, 2014. Management has estimated that the portion of the misappropriation which occurred from April 1, 2014 to September 30, 2014 was approximately \$235,000 and the portion of the misappropriation which occurred from April 1, 2013 to March 31, 2014 was approximately \$450,000.

The misappropriated funds are reported within “Band owned” expenses on the consolidated statement of operations and \$360,156 has been reclassified from “Band government”, “Education”, “Health” and “Facilities maintenance” expenses for the year ended March 31, 2014.

The misappropriated funds are reported as “Other” in the table immediately above and \$450,000 has been reclassified from “Salaries and wages” for the year ended March 31, 2014.

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2015

15 Accumulated surplus

	2015 \$	2014 \$
Internally restricted		
Invested in tangible capital assets	18,399,332	18,345,830
Unrestricted surplus	1,211,319	961,237
Accumulated surplus	<u>19,610,651</u>	<u>19,307,067</u>

16 Annual surplus net of capital related revenues and amortization

	2015 \$	2014 \$
Surplus (deficit) for the year	303,584	<u>(1,295,906)</u>
Less capital related revenues included in surplus for the year:		
Federal government transfers for capital (note 13)	(75,000)	(75,000)
Add amortization of tangible capital assets	1,255,794	1,792,190
Surplus for the year net of capital related revenues and amortization	<u>1,484,378</u>	<u>421,284</u>

17 Net change in non-cash charges to operations

	2015 \$	2014 \$
Decrease in accounts receivable	425,585	204,032
Decrease (increase) in inventories for resale	(39,070)	2,730
Decrease (increase) in due from government and other government organizations	133,529	(99,666)
Increase in accounts payable and accrued liabilities	203,653	64,012
Increase (decrease) in deferred revenue	(89,394)	422,259
Increase in prepaid expenses	(16,300)	-
	<u>618,003</u>	<u>593,367</u>

18 Budgeted figures

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council of the First Nation.

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19 Aboriginal Affairs and Northern Development Canada (AANDC)

	\$
Funding total per AANDC transfer payment management system	10,223,802
Less: Deferred revenue – SE SE WA HUM school renovations	(49,832)
Less: Deferred revenue – low pressure water	(24,827)
Add: Prior year deferred revenue – fixed contribution unexpended funding	93,872
Add: Prior year deferred revenue – wastewater/emergency repairs	<u>32,911</u>
	10,275,926
Less: Funding recovered during the year	<u>(3,789)</u>
Funding total per consolidated financial statements (note 13)	<u>10,272,137</u>

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20 Segment disclosure

The First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by department. The segments of the First Nation and the services provided by each are as follows:

- Band owned – represents a variety of band owned activities and economic development initiatives, including the Miami Gas Bar, funding from the First Nations Trust, the First Nation's forestry management activities, and the Centre of Excellence.
- Education – provides a variety of services for students from nursery school to a complete grade 12 that meets all provincial criteria with a cultural influence that reflects the First Nation's identity. The department includes a nutrition program, student counselling services, a resource centre, a Cree language and culture program, and a community school program.
- Band government – handles the finances and administration of the First Nation including support to Chief and Council and all other departments. The department provides internal support and central services to ensure the efficient and effective operations of the First Nation.
- Health – offers twenty-six community based programs aimed towards the well-being and health of the First Nation's residents. The First Nation operates a health centre with both health and dental services, as well as a home care program, counselling for drug and alcohol addictions, community health representatives, daycare and headstart.
- Facilities maintenance – ensures the upkeep of road maintenance and school maintenance as well as water safety, including an emergency water works plan. The department works to provide a safe working environment for all staff and ensure the community's safety.
- Capital projects – this department is part of facilities maintenance and is responsible for larger maintenance projects that are non-recurring in nature and require capital funding. Recent capital projects include high school roof repairs and housing renovations.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the Summary of Significant Accounting Policies. Segment results are as follows:

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	Band owned			Education			Band government		
	Budget 2015 \$	2015 \$	2014 \$	Budget 2015 \$	2015 \$	2014 \$	Budget 2015 \$	2015 \$	2014 \$
Revenues									
Federal government transfers	24,873	24,873	23,877	5,982,888	6,121,559	5,911,096	983,161	983,161	941,233
Provincial government transfers	326,450	302,115	308,637	-	-	-	-	-	-
Miami Gas Bar	-	3,981,416	3,930,591	-	-	-	-	-	-
First Nations Trust	1,164,641	1,164,641	1,214,899	-	-	-	-	-	-
AC Forestry Ltd.	1,343,400	1,343,400	822,124	-	-	-	-	-	-
Agency Chiefs Tribal Council	125,976	125,976	105,000	-	-	-	-	-	-
Agency Chiefs Child & Family Services	198,000	198,000	206,750	-	-	-	-	-	-
Other	335,527	335,500	230,221	5,627	15,227	-	204,550	57,371	20,733
Rent	-	-	-	-	-	-	226,859	220,608	28,800
Northern Lights Development Corporation	-	-	-	-	-	-	169,698	169,698	197,722
User fees	-	-	-	-	-	-	-	-	-
Tuition recovery	-	-	-	129,417	115,417	110,350	-	-	-
Amounts earned and held in trust by federal government	-	1,264	1,378	-	-	-	-	-	-
	3,518,867	7,477,185	6,843,477	6,117,932	6,252,203	6,021,446	1,584,268	1,430,838	1,188,488
Expenses									
Salaries, wages and benefits	189,863	750,400	553,443	3,957,599	4,159,360	4,329,498	757,426	651,353	740,757
Cost of sales	-	3,413,714	3,303,677	-	-	-	-	-	-
Repairs and maintenance	84,050	189,118	113,358	22,700	44,534	24,640	27,500	11,578	10,871
Amortization	-	280,335	277,839	-	15,217	16,924	-	168,447	166,762
Supplies and materials	129,253	220,393	247,283	275,334	278,342	264,626	74,175	100,189	91,640
Training activities	-	-	-	-	-	-	-	-	-
Travel	50,600	55,582	115,219	122,400	109,312	130,255	484,770	543,092	549,785
Student support	-	-	-	714,550	713,568	783,371	-	-	-
Executive management fees	-	-	-	-	-	-	353,000	478,001	456,001
Membership support	400,000	373,596	314,625	2,000	3,084	5,236	-	-	-
Interest	56,726	49,441	54,278	-	-	-	120,000	66,382	109,350
Other	885,895	900,915	1,255,080	566,989	764,508	657,019	370,500	417,082	311,622
	1,796,387	6,233,494	6,234,802	5,661,572	6,087,925	6,211,569	2,187,371	2,436,124	2,436,788
Surplus (deficit) for the year	1,722,480	1,243,691	608,675	456,360	164,278	(190,123)	(603,103)	(1,005,286)	(1,248,300)

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	Health			Facilities maintenance			Capital projects		
	Budget 2015 \$	2015 \$	2014 \$	Budget 2015 \$	2015 \$	2014 \$	Budget 2015 \$	2015 \$	2014 \$
Revenues									
Federal government transfers	1,660,546	1,655,757	1,835,529	1,627,443	1,582,644	1,484,102	1,118,311	1,029,805	1,003,557
Provincial government transfers	44,492	44,492	43,279	-	-	-	-	-	-
Miami Gas Bar	-	-	-	-	-	-	-	-	-
First Nations Trust	-	-	-	-	-	-	-	-	-
AC Forestry Ltd.	-	-	-	-	-	-	-	-	-
Agency Chiefs Tribal Council	302,064	300,064	302,095	77,171	77,171	71,558	-	-	-
Agency Chiefs Child & Family Services	-	-	-	-	-	60,000	-	-	-
Other	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	112,385	-	-	110,154
Northern Lights Development Corporation	-	-	-	-	-	-	-	-	-
User fees	35,710	35,710	32,108	41,281	46,725	41,646	-	-	-
Tuition recovery	-	-	-	-	-	-	-	-	-
Amounts earned and held in trust by federal government	-	-	-	-	-	-	-	-	-
	2,042,812	2,036,023	2,213,011	1,745,895	1,706,540	1,769,691	1,118,311	1,029,805	1,113,711
Expenses									
Salaries, wages and benefits	786,125	674,400	678,239	857,120	830,566	774,879	39,526	41,579	40,035
Cost of sales	-	-	-	-	-	-	-	-	-
Repairs and maintenance	5,000	270	491	318,321	282,070	228,292	109,542	145,934	140,853
Amortization	-	-	-	-	-	-	-	791,795	1,330,665
Supplies and materials	152,659	118,668	146,596	151,649	137,561	165,816	461,243	390,915	395,818
Training activities	707,684	724,989	873,056	-	-	-	-	-	-
Travel	82,430	96,836	111,165	62,900	69,492	83,673	8,000	7,756	8,882
Student support	-	-	-	-	-	-	-	-	-
Executive management fees	-	-	-	-	-	-	-	-	-
Membership support	-	-	-	-	-	-	-	-	-
Interest	10,000	8,565	11,074	-	-	-	-	25,712	-
Other	168,457	160,489	188,866	329,309	363,870	383,522	-	-	649
	1,912,355	1,784,217	2,009,487	1,719,299	1,683,559	1,636,182	618,311	1,403,691	1,916,902
Surplus (deficit) for the year	130,457	251,806	203,524	26,596	22,981	133,509	500,000	(373,886)	(803,191)

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21 Tangible capital assets

	Cost					Accumulated amortization			Net book value March 31, 2015 \$
	Opening balance \$	Additions \$	Disposals \$	Transfers \$	Closing balance \$	Opening balance \$	Amortization \$	Closing balance \$	
Land	1,143,462	-	-	-	1,143,462	-	-	-	1,143,462
Roads	8,807	-	-	-	8,807	1,029	294	1,323	7,484
Buildings and structures	38,936,296	21,267	-	-	38,957,563	19,530,737	1,018,542	20,549,279	18,408,284
Vehicles and equipment	2,796,897	176,701	-	-	2,973,598	1,895,028	201,585	2,096,613	876,985
Breeding livestock	203,200	-	-	-	203,200	-	-	-	203,200
Computer equipment	281,353	27,815	-	-	309,168	222,891	22,164	245,055	64,113
Furniture and fixtures	59,859	12,377	-	-	72,236	17,508	13,209	30,717	41,519
Construction in progress	-	465,510	-	-	465,510	-	-	-	465,510
	43,429,874	703,670	-	-	44,133,544	21,667,193	1,255,794	22,922,987	21,210,557

	Cost					Accumulated amortization			Net book value March 31, 2014 \$
	Opening balance \$	Additions \$	Disposals \$	Transfers \$	Closing balance \$	Opening balance \$	Amortization \$	Closing balance \$	
Land	1,120,962	22,500	-	-	1,143,462	-	-	-	1,143,462
Roads	8,807	-	-	-	8,807	735	294	1,029	7,778
Buildings and structures	38,936,296	-	-	-	38,936,296	17,973,904	1,556,833	19,530,737	19,405,559
Vehicles and equipment	2,589,784	207,113	-	-	2,796,897	1,690,057	204,971	1,895,028	901,869
Breeding livestock	63,200	140,000	-	-	203,200	-	-	-	203,200
Computer equipment	254,347	27,006	-	-	281,353	203,826	19,065	222,891	58,462
Furniture and fixtures	50,404	9,455	-	-	59,859	6,481	11,027	17,508	42,351
Construction in progress	-	-	-	-	-	-	-	-	-
	43,023,800	406,074	-	-	43,429,874	19,875,003	1,792,190	21,667,193	21,762,681