

Big River First Nation

Consolidated Financial Statements
March 31, 2016

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.

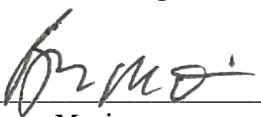
Management is responsible for the integrity and objectivity of these consolidated financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

*PricewaterhouseCoopers LLP
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August 5, 2016

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, 2016 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.

PricewaterhouseCoopers LLP
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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, 2016 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, 2016

	2016	2015
	\$	\$
Financial assets		
Cash (note 2)	1,080,010	737,058
Temporary investments	391,562	260,690
Accounts receivable (note 3)	491,309	667,772
Trust funds held by federal government (note 4)	37,515	36,349
Inventories for resale	161,129	100,757
Due from government and other government organizations (note 5)	215,836	67,413
Portfolio investments (note 6)	72,005	72,005
	<hr/>	<hr/>
	2,449,366	1,942,044
Financial liabilities		
Accounts payable and accrued liabilities	429,155	348,637
Deferred revenue (note 7)	602,498	398,388
Long-term debt (note 8)	5,798,415	2,811,225
	<hr/>	<hr/>
	6,830,068	3,558,250
	<hr/>	<hr/>
Net debt	(4,380,702)	(1,616,206)
Non-financial assets		
Tangible capital assets (note 19)	24,001,156	21,210,557
Prepaid expenses	-	16,300
	<hr/>	<hr/>
	24,001,156	21,226,857
	<hr/>	<hr/>
Accumulated surplus (note 13)	19,620,454	19,610,651
Employee future benefits (note 9)		
Contingent liabilities (note 10)		

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, 2016

	Budget \$ (note 16)	2016 \$	2015 \$
Revenues			
Federal government transfers for operating (note 11)	11,113,353	11,559,234	11,364,547
Miami Gas Bar	-	4,504,248	3,981,416
First Nations Trust	1,173,475	1,173,475	1,343,400
AC Forestry Ltd.	1,343,400	1,091,565	1,164,641
Agency Chiefs Tribal Council	527,671	556,923	503,211
Provincial government transfers for operating (note 11)	319,350	319,350	346,607
Agency Chiefs Child & Family Services	219,323	219,322	198,000
Federal government transfers for capital (note 11)	570,000	207,671	33,252
Rent	190,110	190,109	220,608
Northern Lights Development Corporation	159,600	159,600	169,698
Other	58,660	94,022	166,935
Cattle ranch	75,898	75,898	156,379
User fees	73,261	75,036	82,435
Tuition	52,800	52,800	115,417
Bingo	30,000	32,147	84,784
Amounts earned and held in trust by federal government	-	1,166	1,264
	15,906,901	20,312,566	19,932,594
Expenses (note 12)			
Education	5,875,346	6,126,356	6,072,708
Band owned	1,317,265	5,817,688	5,953,159
Band government	1,978,313	2,275,382	2,267,677
Health	1,675,759	2,120,602	1,784,217
Facilities maintenance	1,659,843	1,944,810	1,683,559
Capital projects	590,757	748,151	611,896
	13,097,283	19,032,989	18,373,216
Surplus for the year before amortization (note 14)			
Amortization of tangible capital assets	2,809,618	1,279,577	1,559,378
	-	1,269,774	1,255,794
Surplus for the year	2,809,618	9,803	303,584
Accumulated surplus – Beginning of year	19,610,651	19,610,651	19,307,067
Accumulated surplus – End of year (note 13)	22,420,269	19,620,454	19,610,651
Segment disclosure (note 18)			

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, 2016

	Budget \$ (note 16)	2016 \$	2015 \$
Surplus for the year	2,809,618	9,803	303,584
Purchase of tangible capital assets	(4,000,000)	(4,060,373)	(703,670)
Amortization of tangible capital assets	-	1,269,774	1,255,794
Decrease (increase) in prepaid expenses	-	16,300	(16,300)
Change in net debt	(1,190,382)	(2,764,496)	839,408
Net debt – Beginning of year	(1,616,206)	(1,616,206)	(2,455,614)
Net debt – End of year	<u>(2,806,588)</u>	<u>(4,380,702)</u>	<u>(1,616,206)</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, 2016

	2016 \$	2015 \$
Operating activities		
Surplus for the year	9,803	303,584
Items not affecting cash		
Amortization of tangible capital assets	1,269,774	1,255,794
Amounts earned and held in trust by federal government	(1,166)	(1,264)
Net change in non-cash charges to operations (note 15)	268,596	618,003
	<hr/>	<hr/>
	1,547,007	2,176,117
Investing activities		
Increase in temporary investments, net of proceeds from redemption	<hr/>	<hr/>
	(130,872)	(86,070)
Financing activities		
Debt issues	4,170,000	570,000
Debt retirement	<hr/>	<hr/>
	(1,182,810)	(1,175,626)
	<hr/>	<hr/>
	2,987,190	(605,626)
Capital activities		
Purchase of tangible capital assets	<hr/>	<hr/>
	(4,060,373)	(703,670)
Net change in cash	<hr/>	<hr/>
Cash – Beginning of year	342,952	780,751
Cash – End of year	<hr/>	<hr/>
	737,058	(43,693)
	<hr/>	<hr/>
	1,080,010	737,058
Supplementary cash flow information		
Interest paid in the year	<hr/>	<hr/>
	111,363	126,060
	<hr/>	<hr/>

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

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2016

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. 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, 2016 (2015 – nil).

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.

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

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2016

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.

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2016

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

	2016	2015
	\$	\$
Unrestricted cash		
Operating	74,215	523,949
	<hr/>	<hr/>
Restricted cash		
Capital projects	1,005,795	213,109
	<hr/>	<hr/>
Total cash	1,080,010	737,058
	<hr/>	<hr/>

3 Accounts receivable

	2016	2015
	\$	\$
Miami Gas Bar customer receivables	116,673	89,052
AC Forestry Ltd.	90,000	-
Advances to membership and staff	84,797	128,087
Advances to Chief and Council	58,070	93,257
Agency Chiefs Tribal Council	48,931	117,837
GST receivable	45,740	50,195
Other advances and receivables	37,483	165,094
Agency Chiefs Child and Family Services	9,615	24,250
	<hr/>	<hr/>
	491,309	667,772
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Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2016

4 Trust funds held by federal government

	March 31, 2015	Additions \$	Withdrawals \$	March 31, 2016
Revenue	24,520	1,166	-	25,686
Capital	11,829	-	-	11,829
	<hr/>	<hr/>	<hr/>	<hr/>
	36,349	1,166	-	37,515
				March 31, 2015
	March 31, 2014	Additions \$	Withdrawals \$	\$
Revenue	23,256	1,264	-	24,520
Capital	11,829	-	-	11,829
	<hr/>	<hr/>	<hr/>	<hr/>
	35,085	1,264	-	36,349

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

	2016	2015
	\$	\$
Provincial government and other government organizations	142,790	45,037
Federal government		
Health Canada	56,226	-
Canada Mortgage and Housing Corporation	14,420	-
Northern Affairs Canada	-	22,376
Royal Canadian Mounted Police	2,400	-
	<hr/>	<hr/>
	215,836	67,413

6 Portfolio investments

	2016	2015
	\$	\$
Corman Park Developments	50,000	50,000
First Nations Bank of Canada	22,005	22,005
	<hr/>	<hr/>
	72,005	72,005

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2016

7 Deferred revenue

	Balance at March 31, 2015	Funding received	Revenue recognized	Balance at March 31, 2016
	\$	\$	\$	\$
Federal government				
Capital projects	127,101	557,000	(224,496)	459,605
Other	271,287	10,849,001	(10,977,395)	142,893
	398,388	11,406,001	(11,201,891)	602,498

	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
	487,782	11,126,153	(11,215,547)	398,388

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 Indigenous and Northern Affairs Canada.

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2016

8 Long-term debt and obligations under capital leases

	2016 \$	2015 \$
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.	92,500	192,500
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 INAC and an irrevocable Letter of Direction to the RCMP to forward all future rental payments directly to the lender.	11,480	29,000
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.	215,000	415,000
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.	104,784	167,403
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.	66,500	108,500
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.	108,333	158,333
Demand loan due February 1, 2019, repayable in monthly principal instalments of \$4,722 plus accrued interest of prime plus 0.5% secured with a Band Council Resolution.	165,278	-
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.	466,473	584,240

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Notes to Consolidated Financial Statements

March 31, 2016

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.	66,250	81,250
Demand loan due April 1, 2025, repayable in annual principal instalments of \$473,182 plus monthly accrued interest at prime plus 0.5%; with a Band Council Resolution as security which includes instructions to INAC to forward capital disbursements to the lender until the loan is repaid in full.	4,501,817	974,999
Obligations under capital leases	-	100,000
	<hr/>	<hr/>
	5,798,415	2,811,225
	<hr/>	<hr/>

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

	\$
2017	1,129,162
2018	802,206
2019	703,820
2020	554,138
2021	473,182
Subsequent	<hr/> 2,135,907
	<hr/> 5,798,415

Interest expense on long term debt for the year ended March 31, 2016 was \$111,363 (2015 – \$126,060).

During the year ended March 31, 2016 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 \$6,744,500.

The revolving lines of credit of \$500,000 and \$55,000 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 \$6,084,500 and relate to the eleven demand loans in place at March 31, 2016, which had principal outstanding at March 31, 2016 of \$5,798,415. The terms of all eleven 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.

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2016

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 INAC 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.

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, 2016 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, 2016 there were no amounts drawn on the letter of credit, \$356,428 was drawn on the mortgage and \$75,000 was drawn on the loan for a total of \$431,428.

9 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 \$256,310 during the year ended March 31, 2016 (2015 - \$244,043), 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, 2016.

10 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, 2016, the amount of the obligation cannot be reliably estimated.

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2016

11 Government transfers

	Operating \$	Capital \$	2016 Total \$
Federal government transfers			
Indigenous and Northern Affairs Canada (note 17)	10,394,057	207,671	10,601,728
Health Canada	1,051,318	-	1,051,318
Canada Mortgage and Housing Corporation	113,859	-	113,859
Provincial government transfers			
	11,559,234	207,671	11,766,905
	319,350	-	319,350
	11,878,584	207,671	12,086,255

	Operating \$	Capital \$	2015 Total \$
Federal government transfers			
Indigenous and Northern Affairs Canada	10,238,885	33,252	10,272,137
Health Canada	906,140	-	906,140
Canada Mortgage and Housing Corporation	219,522	-	219,522
Provincial government transfers			
	11,364,547	33,252	11,397,799
	346,607	-	346,607
	11,711,154	33,252	11,744,406

Provincial rebates on products purchased by the Miami Gas Bar of \$774,891 (2015 – \$630,791) are applied directly to products purchased and reduce cost of sales within band owned expenditures on the consolidated statement of operations.

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2016

12 Expenses by object and misappropriation of funds

	Budget \$	2016 \$	2015 \$
Salaries and wages	6,442,717	7,644,828	7,107,658
Cost of sales	-	3,583,844	3,413,714
Amortization	-	1,269,774	1,255,794
Supplies material and sundry	1,138,414	1,111,345	1,246,068
Travel	793,175	1,029,630	882,070
Training activities	737,938	772,914	724,989
Student support	714,550	708,411	713,568
Repairs and maintenance	443,613	649,518	673,504
Tuition	306,515	515,612	478,001
Executive management fees	360,006	426,085	600,621
Utilities	332,404	401,949	385,401
Membership support	390,379	390,692	376,680
Professional fees	151,628	317,527	206,295
Training and workshops	268,749	291,685	264,253
Recreation	206,181	177,368	160,208
Projects	64,500	160,480	112,475
Bank charges and interest	89,000	157,534	150,100
Contractor fees	122,500	147,242	48,213
Fuel	95,000	95,218	102,680
Cultural activities	91,988	91,770	63,193
Elders	100,700	90,389	93,400
Insurance	86,509	80,151	84,634
Bad debt write offs	-	80,000	131,494
Equipment leases	33,500	57,388	78,295
Rent	19,200	21,265	19,199
Administration fees	98,217	20,244	14,303
Child care	9,900	9,900	7,200
Other	-	-	235,000
	<hr/>	<hr/>	<hr/>
	13,097,283	20,302,763	19,629,010

During the prior 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.

The misappropriated funds are reported within "Band owned" expenses on the consolidated statement of operations and are reported as "Other" in the table immediately above.

Big River First Nation

Notes to Consolidated Financial Statements

March 31, 2016

13 Accumulated surplus

	2016 \$	2015 \$
Internally restricted		
Invested in tangible capital assets	17,743,136	18,272,231
Unrestricted surplus	<u>1,877,318</u>	<u>1,338,419</u>
	<u>19,620,454</u>	<u>19,610,650</u>

14 Annual surplus net of capital related revenues and amortization

	2016 \$	2015 \$
Surplus for the year before amortization	1,279,577	1,559,378
Less capital related revenues included in surplus for the year:		
Federal government transfers for capital (note 11)	(207,671)	(33,252)
Surplus for the year net of capital related revenues and amortization	<u>1,071,906</u>	<u>1,526,126</u>

15 Net change in non-cash charges to operations

	2016 \$	2015 \$
Accounts receivable	176,463	425,585
Inventories for resale	(60,372)	(39,070)
Due from government and other government organizations	(148,423)	133,529
Accounts payable and accrued liabilities	80,518	203,653
Deferred revenue	204,110	(89,394)
Prepaid expenses	16,300	(16,300)
	<u>268,596</u>	<u>618,003</u>

Big River First Nation

Notes to Consolidated Financial Statements

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16 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.

17 Indigenous and Northern Affairs Canada (INAC)

	\$
Funding total per INAC transfer payment management system	10,849,001
Less: Deferred revenue – school renovations	(311,168)
Less: Deferred revenue – solid waste	(57,000)
Add: Prior year deferred revenue – low pressure water	18,839
Add: Prior year deferred revenue – unexpended funding	145,219
	<hr/>
	10,644,891
Less: Funding recovered during the year	<hr/> <u>(43,163)</u>
Funding total per consolidated financial statements (note 11)	<hr/> <u>10,601,728</u>

Big River First Nation

Notes to Consolidated Financial Statements

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18 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:

Big River First Nation

Notes to Consolidated Financial Statements

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	Band owned			Education			Band government		
	Budget 2016 \$	2016 \$	2015 \$	Budget 2016 \$	2016 \$	2015 \$	Budget 2016 \$	2016 \$	2015 \$
Revenues									
Federal government transfers	24,906	24,906	24,873	6,232,226	6,290,366	6,121,559	939,781	902,427	983,161
Provincial government transfers	275,850	275,850	302,115	-	-	-	-	-	-
Miami Gas Bar	-	4,504,248	3,981,416	-	-	-	-	-	-
First Nations Trust	1,173,475	1,173,475	1,164,641	-	-	-	-	-	-
AC Forestry Ltd.	1,343,400	1,091,565	1,343,400	-	-	-	-	-	-
Agency Chiefs Tribal Council	155,936	185,188	125,976	-	-	-	-	-	-
Agency Chiefs Child & Family Services	219,322	219,322	198,000	-	-	-	-	-	-
Other	194,098	158,679	335,500	-	-	15,227	7,512	43,388	57,371
Rent	-	-	-	-	-	-	190,110	190,109	220,608
Northern Lights Development Corporation	-	-	-	-	-	-	159,600	159,600	169,698
User fees	-	-	-	-	-	-	-	-	-
Tuition recovery	-	-	-	52,800	52,800	115,417	-	-	-
Amounts earned and held in trust by federal government	-	1,166	1,264	-	-	-	-	-	-
	3,386,987	7,634,399	7,477,185	6,285,026	6,343,166	6,252,203	1,297,003	1,295,524	1,430,838
Expenses									
Salaries, wages and benefits	119,780	616,925	750,400	4,184,808	4,309,943	4,159,360	705,462	676,450	651,353
Cost of sales	-	3,583,844	3,413,714	-	-	-	-	-	-
Repairs and maintenance	41,200	64,844	189,118	22,700	46,721	44,534	27,500	26,785	11,578
Supplies and materials	102,915	171,193	220,393	280,657	233,599	278,342	78,174	67,704	100,189
Training activities	-	-	-	-	-	-	-	-	-
Travel	44,000	40,907	55,582	119,600	130,635	109,312	468,343	638,814	543,092
Student support	-	-	-	714,550	708,411	713,568	-	-	-
Executive management fees	-	-	-	-	-	-	360,006	426,085	478,001
Membership support	388,379	388,379	373,596	2,000	2,313	3,084	-	-	-
Interest	43,000	68,438	49,441	-	-	-	36,000	22,505	66,382
Other	577,991	883,158	900,915	551,031	694,734	764,508	302,828	417,039	417,082
	1,317,265	5,817,688	5,953,159	5,875,346	6,126,356	6,072,708	1,978,313	2,275,382	2,267,677
Surplus (deficit) for the year before amortization	2,069,722	1,816,711	1,524,026	409,680	216,810	179,495	(681,310)	(979,858)	(836,839)

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

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	Health			Facilities maintenance			Capital projects		
	Budget 2016 \$	2016 \$	2015 \$	Budget 2016 \$	2016 \$	2015 \$	Budget 2016 \$	2016 \$	2015 \$
Revenues									
Federal government transfers	1,847,661	1,797,603	1,655,757	1,510,971	1,581,219	1,582,644	1,090,757	1,170,384	1,029,805
Provincial government transfers	43,500	43,500	44,492	-	-	-	-	-	-
Miami Gas Bar	-	-	-	-	-	-	-	-	-
First Nations Trust	-	-	-	-	-	-	-	-	-
AC Forestry Ltd.	-	-	-	-	-	-	-	-	-
Agency Chiefs Tribal Council	294,564	294,564	300,064	77,171	77,171	77,171	-	-	-
Agency Chiefs Child & Family Services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-
Northern Lights Development Corporation	-	-	-	-	-	-	-	-	-
User fees	36,158	37,933	35,710	37,103	37,103	46,725	-	-	-
Tuition recovery	-	-	-	-	-	-	-	-	-
Amounts earned and held in trust by federal government	-	-	-	-	-	-	-	-	-
	2,221,883	2,173,600	2,036,023	1,625,245	1,695,493	1,706,540	1,090,757	1,170,384	1,029,805
Expenses									
Salaries, wages and benefits	600,662	850,070	674,400	827,005	973,357	830,566	-	-	41,579
Cost of sales	-	-	-	-	-	-	-	-	-
Repairs and maintenance	1,158	6,690	270	261,055	200,202	282,070	90,000	304,276	145,934
Supplies and materials	89,763	153,394	118,668	133,674	151,947	137,561	453,231	333,508	390,915
Training activities	737,938	772,914	724,989	-	-	-	-	-	-
Travel	66,906	67,877	96,836	86,800	140,731	69,492	7,526	10,666	7,756
Student support	-	-	-	-	-	-	-	-	-
Executive management fees	-	-	-	-	-	-	-	-	-
Membership support	-	-	-	-	-	-	-	-	-
Interest	10,000	5,946	8,565	-	-	-	-	60,645	25,712
Other	169,332	263,711	160,489	351,309	478,573	363,870	40,000	39,056	-
	1,675,759	2,120,602	1,784,217	1,659,843	1,944,810	1,683,559	590,757	748,151	611,896
Surplus (deficit) for the year before amortization	546,124	52,998	251,806	(34,598)	(249,317)	22,981	500,000	422,233	417,909

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

Big River First Nation

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19 Tangible capital assets

	Cost					Accumulated amortization			Net book value
	Opening balance	Additions	Disposals	Transfers	Closing balance	Opening balance	Amortization	Closing balance	March 31, 2016
Land	1,143,462	-	-	-	1,143,462	-	-	-	1,143,462
Roads	8,807	-	-	-	8,807	1,323	294	1,617	7,190
Buildings and structures	38,957,563	1,005,017	-	-	39,962,580	20,549,279	1,039,068	21,588,347	18,374,233
Vehicles and equipment	2,973,598	338,392	-	-	3,311,990	2,096,613	195,433	2,292,046	1,019,944
Breeding livestock	203,200	144,550	-	-	347,750	-	-	-	347,750
Computer equipment	309,168	12,880	-	-	322,048	245,055	20,852	265,907	56,141
Furniture and fixtures	72,236	9,992	-	-	82,228	30,717	14,127	44,844	37,384
Construction in progress	465,510	2,549,542	-	-	3,015,052	-	-	-	3,015,052
	44,133,544	4,060,373	-	-	48,193,917	22,922,987	1,269,774	24,192,761	24,001,156

	Cost					Accumulated amortization			Net book value
	Opening balance	Additions	Disposals	Transfers	Closing balance	Opening balance	Amortization	Closing balance	March 31, 2015
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

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

