

Consolidated Financial Statements of

# **BIGSTONE CREE NATION**

Year ended March 31, 2015

# BIGSTONE CREE NATION

Consolidated Financial Statements

Year ended March 31, 2015

---

Management's Responsibility for the Consolidated Financial Statements

Independent Auditors' Report

Consolidated Statement of Financial Position .....	1
Consolidated Statement of Operations and Accumulated Operating Surplus .....	2
Consolidated Statement of Remeasurement Gains and Losses .....	3
Consolidated Statement of Changes in Net Financial Assets .....	4
Consolidated Statement of Cash Flows .....	5
Notes to Consolidated Financial Statements .....	6

## **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying consolidated financial statements of Bigstone Cree Nation are the responsibility of management and have been approved by the Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and as such include amounts that are the best estimates and judgments of management.

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

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

The external auditors, KPMG 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 management of Bigstone Cree Nation and meet when required. Their report to the members of Bigstone Cree Nation, stating the scope of their examination and opinion on the consolidated financial statements, follows.

On behalf of Bigstone Cree Nation:

A blue ink signature, appearing to be 'Amy D.', written in a cursive style.

Executive Director

A black ink signature, appearing to be 'E. H. H. H.', written in a cursive style.

Finance Director

July 22, 2015  
Wabasca, Canada



**KPMG LLP**  
**Chartered Accountants**  
10125 – 102 Street  
Edmonton AB T5J 3V8  
Canada

Telephone (780) 429-7300  
Fax (780) 429-7379  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Bigstone Cree Nation

We have audited the accompanying consolidated financial statements of Bigstone Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2015, the consolidated statements of operations and accumulated operating surplus, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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.

### *Auditors' 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 our 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, we consider internal control relevant to the entity's preparation 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 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.



### *Opinion*

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Accountants

July 22, 2015  
Edmonton, Canada

# BIGSTONE CREE NATION

## Consolidated Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014 (Recasted - note 18)
Financial assets:		
Cash and cash equivalents	\$ 2,292,210	\$ 1,821,848
Restricted cash and temporary investments (note 2)	1,815,202	2,304,592
Accounts receivable (note 3)	3,058,070	2,497,755
Portfolio investments - settlement trust funds (note 4)	112,860,281	112,767,999
Trust funds held by federal government (note 5)	738,976	1,172,180
Investments in government business enterprises (note 6)	14,267,470	15,131,783
	135,032,209	135,696,157
Liabilities:		
Accounts payable and accrued liabilities	3,240,930	2,754,290
Contributions repayable (note 7)	299,554	517,744
Deferred revenue (note 8)	3,497,689	4,758,897
Long-term debt (note 9)	17,391,349	17,882,207
	24,429,522	25,913,138
Net financial assets	110,602,687	109,783,019
Non-financial assets:		
Prepaid expenses and deposits	194,302	143,789
Tangible capital assets (note 10)	44,209,016	45,427,862
	44,403,318	45,571,651
Accumulated surplus (note 11)	\$ 155,006,005	\$ 155,354,670
Accumulated surplus is comprised of the following:		
Accumulated operating surplus	\$ 146,976,413	\$ 151,225,926
Accumulated remeasurement gains	8,029,592	4,128,744
Accumulated surplus	\$ 155,006,005	\$ 155,354,670

Commitments, contingencies and guarantees (note 15)

See accompanying notes to consolidated financial statements.

Approved by Bigstone Cree Nation:



# BIGSTONE CREE NATION

## Consolidated Statement of Operations and Accumulated Operating Surplus

March 31, 2015, with comparative information for 2014

	Budget	2015	2014 (Recasted - note 18)
Revenues:			
Government transfers (note 12)	\$ 48,515,585	\$ 49,908,496	\$ 46,798,425
Other contributions and transfers	383,967	473,935	475,156
	48,899,552	50,382,431	47,273,581
Net amounts recognized (deferred)	1,031,945	1,142,907	(1,233,844)
	49,931,497	51,525,338	46,039,737
User fees, rent and sales of goods and services	2,837,803	4,751,899	6,235,924
Property taxes	-	899,189	992,040
Investment income (note 13)	-	4,024,390	2,847,836
Amounts earned and held in trust by federal government (note 5)	-	841,295	645,210
	52,769,300	62,042,111	56,760,747
Expenses (note 14):			
Administration and governance	3,559,802	4,428,257	3,808,413
Lands	796,224	747,773	685,830
Social	7,773,606	6,907,423	7,288,149
Housing	386,649	4,331,107	3,843,180
Public works	3,243,732	4,464,836	4,338,726
Human resource development	1,385,127	1,354,566	1,462,806
Education and child development	14,486,268	15,784,688	14,231,002
Economic development	1,451,522	1,923,020	1,792,809
Health	19,849,989	19,899,897	19,062,641
Other	-	41,409	76,656
Capital distributions to Calling Lake and Chipewyan Lake communities (note 10)	8,824,000	5,464,982	3,089,178
Per capita distributions to individual beneficiaries	-	529,543	522,833
Trust administration	482,410	865,702	544,206
	62,239,329	66,743,203	60,746,429
Annual operating deficit before the undernoted	(9,470,029)	(4,701,092)	(3,985,682)
Income from investments in government business enterprises (note 6)	-	451,579	1,262,820
Annual operating deficit	(9,470,029)	(4,249,513)	(2,722,862)
Accumulated operating surplus, beginning of year (Recasted - note 18)	151,225,926	151,225,926	153,948,788
Accumulated operating surplus, end of year	\$ 141,755,897	\$ 146,976,413	\$ 151,225,926

See accompanying notes to consolidated financial statements.

# BIGSTONE CREE NATION

## Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Accumulated remeasurement gains, beginning of year	\$ 4,128,744	\$ 2,022,864
Unrealized gains attributable to portfolio investments - settlement trust funds	3,900,848	2,105,880
Accumulated remeasurement gains, end of year	\$ 8,029,592	\$ 4,128,744

See accompanying notes to consolidated financial statements.

# BIGSTONE CREE NATION

## Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2015, with comparative information for 2014

	2015	2014 (Recasted - note 18)
Annual operating deficit	\$ (4,249,513)	\$ (2,722,862)
Acquisition of tangible capital assets	(1,895,057)	(2,576,129)
Proceeds from disposition of tangible capital assets	250,246	-
(Gain) loss on disposal of tangible capital assets	(47,486)	208,239
Amortization of tangible capital assets	2,911,143	3,218,951
	1,218,846	851,061
(Increase) decrease in prepaid expenses and deposits	(50,513)	77,415
Unrealized gains attributable to portfolio investments - settlement trust funds	3,900,848	2,105,880
Increase in net financial assets	819,668	311,494
Net financial assets, beginning of year	109,783,019	109,471,525
Net financial assets, end of year	\$ 110,602,687	\$ 109,783,019

See accompanying notes to consolidated financial statements.

# BIGSTONE CREE NATION

## Consolidated Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014 (Recasted - note 18)
Cash provided by (used in):		
Operating transactions:		
Annual operating deficit	\$ (4,249,513)	\$ (2,722,862)
Items which do not involve cash:		
Amortization of tangible capital assets	2,911,143	3,218,951
(Gain) loss on disposal of tangible capital assets	(47,486)	208,239
Income from investments in government business enterprises	(451,579)	(1,262,770)
Change in non-cash operating working capital:		
Accounts receivable	(560,315)	2,521,239
Accounts payable and accrued liabilities	486,640	(3,174,395)
Contributions repayable	(218,190)	517,744
Deferred revenue	(1,261,208)	(20,700)
Prepaid expenses and deposits	(50,513)	77,415
	(3,441,021)	(637,139)
Capital transactions:		
Acquisition of tangible capital assets	(1,895,057)	(2,576,129)
Proceeds from disposition of tangible capital assets	250,246	-
	(1,644,811)	(2,576,129)
Investing transactions:		
Decrease (increase) in restricted cash and temporary investments	489,390	(2,048,711)
Decrease in portfolio investments		
- settlement trust funds, net	3,808,566	1,934,669
Decrease in trust funds held by federal government	433,204	1,721,414
Decrease in investments in government business enterprises	1,315,892	2,164,970
	6,047,052	3,772,342
Financing transactions:		
Proceeds from long-term debt	600,000	-
Repayment of long-term debt	(1,090,858)	(1,051,493)
	(490,858)	(1,051,493)
Increase (decrease) in cash and cash equivalents	470,362	(492,419)
Cash and cash equivalents, beginning of year	1,821,848	2,314,267
Cash and cash equivalents, end of year	\$ 2,292,210	\$ 1,821,848

See accompanying notes to consolidated financial statements.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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

## 1. Significant accounting policies:

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

### (a) Government reporting entity:

BCN is comprised of a number of entities that are accountable to and controlled by BCN as follows:

Entity	Year end
Bigstone Cree Nation	
Bigstone Cree Nation Operations	March 31
Bigstone Cree Nation Women's Emergency Shelter Society	March 31
Bigstone Cree Nation Child and Family Services Society	March 31
Bigstone Health Commission	March 31
Bigstone Education Authority Society	March 31
Bigstone Advisory Elders Society	March 31
Bigstone Evergreen Foundation	March 31
Bigstone Opasikoniwew Housing Authority	March 31
Bigstone Community Trusts	
Bigstone Cree Nation Trust	December 31
Bigstone Cree Nation Children's Trust	December 31
Calling Lake Capital Trust	December 31
Calling Lake Community Trust	December 31
Chipewyan Lake Capital Trust	December 31
Chipewyan Lake Community Trust	December 31
Off Reserve Members' and Affiliates' Trust	December 31
Wabasca/Desmarais Community Trust	December 31

All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of a government business enterprise or a government business partnership. Inter-organizational balances and transactions are eliminated on consolidation.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 1. Significant accounting policies (continued):

### (a) Government reporting entity (continued):

Investments in government business enterprises and government business partnerships are accounted for on a modified equity basis. Under the modified equity basis, the business enterprises' accounting principles are not adjusted to conform to those of BCN, and inter-organizational transactions and balances are not eliminated. Government business enterprises and government business partnerships accounted for in this manner are:

Entity	Year end
Bigstone Economic Holdings Ltd., 100% beneficial interest held in trust by the Chief and Council of BCN (11 shares)	March 31
Bigstone Health Holdings Ltd., 100% beneficial interest held in trust by the Chief and Council of BCN (7 shares)	March 31
Bigstone Business Trust, 100% beneficial interest held in trust for BCN:	March 31
Bigstone Lot 25 Corp. Limited Partnership	March 31
Bigstone Health Commission Business Trust, 100% beneficial interest held in trust for BCN:	March 31
Bigstone Business Services Limited Partnership	March 31
Bigstone Dental & Orthodontic Services Limited Partnership	March 31
Bigstone Pharmacy Limited Partnership	December 31
KTC Bigstone Limited Partnership	December 31
1787990 Alberta Ltd.	March 31
Bigstone Forestry Limited Partnership	April 30
Abcor Forest Industries Ltd.	December 31

### (b) Revenue recognition:

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

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation which meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

---

## 1. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

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

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

### (c) Cash and cash equivalents:

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

### (d) Financial instruments:

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

Unrealized changes in fair value are recognized in the consolidated statement of remeasurement gains and losses until they are realized and they are transferred to the consolidated statement of operations.

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

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

---

## 1. Significant accounting policies (continued):

### (d) Financial instruments (continued):

When the asset is sold, the unrealized gains and losses previously recognized in the consolidated statement of remeasurement gains and losses are reversed and recognized in the consolidated statement of operations.

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

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

### (e) Foreign currency:

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

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

### (f) Non-financial assets:

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

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 1. Significant accounting policies (continued):

### (f) Non-financial assets (continued):

#### (i) Tangible capital assets:

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

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

#### (ii) Contributions of tangible capital assets:

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

#### (iii) Lands and natural resources:

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

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

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

#### (v) Interest capitalization:

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

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

---

## 1. Significant accounting policies (continued):

### (f) Non-financial assets (continued):

#### (vi) Leased tangible capital assets:

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

### (g) Allocation of expenses:

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

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

### (h) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

### (i) Changes in accounting policies:

In June 2010, the Canadian Public Sector Accounting Board issued PS 3260 - Liability for Contaminated Sites. This accounting standard is effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. BCN adopted this accounting standard retroactively as of April 1, 2014. BCN has not identified any liability for contaminated sites.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 1. Significant accounting policies (continued):

### (i) Changes in accounting policies (continued):

In March 2015, the Canadian Public Sector Accounting Board issued PS 2200 - Related Party Disclosures and PS 3420 - Inter-entity Transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017. PS 2200 - Related Party Disclosures, defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members. PS 3420 - Inter-entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. BCN will be required to evaluate its disclosures based on the new accounting standards. BCN's management is currently assessing the impact of these new accounting standards on the consolidated financial statements.

### (j) Budget information:

The budget information has been derived from the budget approved on May 31, 2014 by the Chief and Council.

## 2. Restricted cash and temporary investments:

	2015	2014
Canada Mortgage Housing Corporation (CMHC) reserve account (see (a) below)	\$ 571,221	\$ 547,611
Non-Insured Health Benefits (NIHB) contingency reserve account (see (b) below)	257,585	407
Severance account (see (c) below)	-	400,000
Other temporary investments (see (d) below)	986,396	1,356,574
	\$ 1,815,202	\$ 2,304,592

- (a) Under the terms of BCN's agreements with the Canada Mortgage and Housing Corporation (CMHC), funding for its housing projects replacement reserve along with accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments issued by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The replacement reserve balance as at March 31, 2015 is \$834,627 (2014 - \$764,197), (see note 11). At March 31, 2015, BCN has \$571,221 (2014 - \$547,611) set aside for the reserve fund and accordingly the replacement reserve is being underfunded by \$263,406 (2014 - \$216,586). BCN funds housing projects replacement reserve when CMHC reserve amount is lower than the amount required for the housing projects' expenditures.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 2. Restricted cash and temporary investments (continued):

- (b) Under the terms of the agreement with Health Canada, the Non-Insured Health Benefits (NIHB) contingency is a reserve that BCN can draw upon in years where NIHB may incur an operating deficit but must be replenished in subsequent years.
- (c) In the prior year, BCN internally restricted \$400,000 in a severance fund to fund severance payments to Chief and Council members that were not re-elected. In the current year, the Severance fund was applied to severance payments made to certain Chief and Council members.
- (d) Other temporary investments are comprised of guaranteed investment certificates bearing interest at 0.5% - 0.8% (2014 - 0.8% - 1.25%) per annum with various maturity dates in the next fiscal year.

## 3. Accounts receivable:

	2015	2014
Trade and other amounts receivable	\$ 4,494,177	\$ 3,740,556
Aboriginal Affairs and Northern Development Canada (AANDC)	244,005	599,325
First Nations Development Fund (FNDF)	1,503,128	440,709
Other contributions receivable	77,853	11,250
Goods and services tax receivable	335,254	242,037
	6,654,417	5,033,877
Less: allowance for doubtful accounts	(3,596,347)	(2,536,122)
	\$ 3,058,070	\$ 2,497,755

## 4. Portfolio investments - settlement trust funds:

BCN and the Governments of Canada and Alberta signed a Settlement Agreement ('the Agreement') in December 2009 in order to achieve a final settlement of the claims of BCN as it related to treaty land entitlement and ancillary treaty benefits. In accordance with the terms of the Agreement, BCN received a total of \$161,400,000 as compensation for its claims. The amounts received are being held in trust for the benefit of the members of BCN. BCN has included the activities of the settlement trust funds in its consolidated financial statements.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 4. Portfolio investments - settlement trust funds (continued):

The settlement trust funds are held in the following trusts for the year ended December 31:

	2015	2014
Bigstone Cree Nation Trust	\$ 57,692,675	\$ 53,508,958
Bigstone Cree Nation Children's Trust	6,424,886	6,838,564
Calling Lake Capital Trust	3,873,607	7,004,656
Calling Lake Community Trust	8,896,039	8,475,287
Chipewyan Lake Capital Trust	8,752,726	10,967,796
Chipewyan Lake Community Trust	8,591,953	8,344,481
Off Reserve Members' and Affiliates' Trust	9,744,502	9,132,013
Wabasca/Desmaris Community Trust	8,883,893	8,496,244
	\$ 112,860,281	\$ 112,767,999

The settlement trust funds are trusts managed as portfolio investments, and have been invested as follows:

	2015	2014
Cash	\$ 20,645,555	\$ 25,816,250
Canadian diversified income pool	29,590,797	27,182,245
Canadian bond pool	15,049,971	13,438,179
Global equity income pool	9,908,191	8,980,801
Short-term bond pool	9,973,430	8,771,404
Corporate bond pool	8,442,498	7,667,636
Money market pool	4,142,545	6,708,109
Canadian dividend income pool	4,744,526	4,757,802
U.S. equity pool	5,927,725	4,550,158
High yield bond fund	4,224,723	3,967,309
Equity high income pool	1,202,782	1,164,571
Liabilities, net	(992,462)	(236,465)
	\$ 112,860,281	\$ 112,767,999

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 5. Trust funds held by federal government:

	2015	2014
Capital fund:		
Balance, beginning of year	\$ 957,156	\$ 2,777,118
Earnings for the year	302,918	259,540
Withdrawals	(1,070,000)	(2,079,502)
Balance, end of year	190,074	957,156
Revenue fund:		
Balance, beginning of year	215,024	116,476
Earnings for the year	538,378	385,670
Withdrawals	(204,500)	(287,122)
Balance, end of year	548,902	215,024
	\$ 738,976	\$ 1,172,180

These 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*.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 6. Investments in government business enterprises:

Investments in government business enterprises are comprised of the following:

	2015	2014 (Recasted - note 18)
Bigstone Economic Holdings Ltd. (see 6 (a) below)	\$ 10,475,416	\$ 10,501,582
Bigstone Health Holdings Ltd. (see 6 (b) below)	3,539,143	3,762,893
Bigstone Business Trust (see 6 (c) below):		
Bigstone Lot 25 Limited Partnership	(575,747)	(377,805)
Bigstone Health Commission Business Trust (see 6 (d) below):		
Bigstone Business Services (GP) Ltd.	-	-
Bigstone Dental & Orthodontic Services Limited Partnership	-	-
Bigstone Pharmacy Limited Partnership	340,708	310,006
KTC Bigstone Limited Partnership	63,814	157,273
1787990 Alberta Ltd.	5,000	-
Bigstone Forestry Limited Partnership (see 6 (e) below)	419,136	615,104
Abcor Forest Industries Ltd. (see 6 (f) below)	-	162,730
	<b>\$ 14,267,470</b>	<b>\$ 15,131,783</b>

Income from investments in government business enterprises is comprised of the following:

	2015	2014 (Recasted - note 18)
Bigstone Economic Holdings Ltd. (see 6 (a) below)	\$ 538,176	\$ 1,634,210
Bigstone Health Holdings Ltd. (see 6 (b) below)	564,173	(96,001)
Bigstone Business Trust (see 6 (c) below):		
Bigstone Lot 25 Limited Partnership	(197,942)	(219,691)
Bigstone Health Commission Business Trust (see 6 (d) below):		
Bigstone Business Services (GP) Ltd.	-	-
Bigstone Dental & Orthodontic Services Limited Partnership	-	-
Bigstone Pharmacy Limited Partnership	-	(75,531)
KTC Bigstone Limited Partnership	(94,131)	-
1787990 Alberta Ltd.	-	-
Bigstone Forestry Limited Partnership (see 6 (e) below)	(195,967)	19,833
Abcor Forest Industries Ltd. (see 6 (f) below)	(162,730)	-
	<b>\$ 451,579</b>	<b>\$ 1,262,820</b>

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 6. Investments in government business enterprises (continued):

### (a) Bigstone Economic Holdings Ltd. (BEH):

BEH includes the following wholly owned subsidiaries and related entities:

Entity	Principal Activities
458 Holdings Ltd.	Inactive
Bigstone Camp & Catering Services Ltd.	Remote camp, catering, and food services
Bigstone Lot 25 Corp Ltd.	General partner
Bigstone Oil & Gas Ltd.	Oilfield services
Bigstone Oilfield Services & Supplies Ltd.	Oilfield construction and maintenance
Bigstone Store Ltd.	Convenience store and gas bar
Bigstone Truckstop Ltd.	Convenience store and gas/diesel bar
BCN Developments Ltd.	Inactive
Keyanew Enterprises Ltd.	Road maintenance
North Eight Contracting Ltd.	Oilfield services and construction management
Stony Point Air Ltd.	Aircraft hangar rental
Stony Point Estates Ltd.	Inactive
Bigstone Forestry Inc.	General partner

The following table provides condensed supplementary financial information for BEH and its subsidiaries and related entities for the year ended March 31:

	2015	2014 (Recasted - Note 18)
Financial position:		
Current assets	\$ 5,206,152	\$ 7,060,072
Investment property	4,889,871	5,137,579
Property, plant and equipment	5,561,246	5,826,500
Equity-accounted investees	50	50
Assets held for sale	119,712	-
Total assets	15,777,031	18,024,201
Current liabilities	5,289,086	5,700,333
Due to Bigstone Cree Nation	6,727,989	7,292,331
Non-current liabilities	588,276	2,200,091
Total liabilities	12,605,351	15,192,755
Total equity	\$ 3,171,680	\$ 2,831,446
- attributable to Bigstone Cree Nation	3,747,427	3,209,251
- attributable to BBT	(575,747)	(377,805)

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 6. Investments in government business enterprises (continued):

(a) Bigstone Economic Holdings Ltd. (BEH) (continued):

	2015	2014
Results of operations:		
Revenues	\$ 23,605,567	\$ 30,703,104
Cost of sales, operating and administrative expenses	23,068,748	29,072,493
Profit before the undernoted	536,819	1,630,611
Share of profit of equity-accounted investees	170,698	240,898
Finance costs, net	(367,283)	(456,990)
Profit and comprehensive income	\$ 340,234	\$ 1,414,519
- attributable to BCN	538,176	1,634,210
- attributable to BBT	(197,942)	(219,691)

(b) Bigstone Health Holdings Ltd. (BHH):

BHH includes the following wholly owned subsidiaries and related entities:

Entity	Principal Activities
Bigstone Business Services (GP) Ltd.	General partner
Bigstone Dental and Orthodontic Services Ltd.	Dental and orthodontic services
Bigstone Medical Transport Ltd.	Medical transportation
Bigstone Pharmacy Ltd.	General partner
Bigstone Professional Centre Ltd.	Professional centre and office rental
Bigstone Optical Ltd.	Inactive

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 6. Investments in government business enterprises (continued):

### (b) Bigstone Health Holdings Ltd. (BHH) (continued):

The following table provides condensed supplementary financial information for BHH for the year ended March 31:

	2015	2014
Financial position:		
Current assets	\$ 1,636,844	\$ 1,032,758
Due from Bigstone Pharmacy Limited Partnership	-	729,557
Due from KTC Bigstone Limited Partnership	93,665	-
Due from Bigstone Economic Holdings Ltd.	350,000	-
Prepaid expenses and deposits	271,488	328,616
Investment property	2,338,909	2,214,828
Property and equipment	1,912,073	2,037,689
Total assets	6,602,979	6,343,448
Current liabilities	2,468,890	1,829,444
Due to Bigstone Cree Nation	1,353,920	2,141,843
Due to Bigstone Health Commission Business Trust	340,708	310,006
Due to Bigstone Lot 25 Limited Partnership	3,702	48,398
Loans and borrowings	250,536	392,707
Total liabilities	4,417,756	4,722,398
Total equity	\$ 2,185,223	\$ 1,621,050
- attributable to Bigstone Cree Nation	2,185,223	1,621,050
- attributable to BPLP	-	-
	2015	2014
Results of operations:		
Revenues	\$ 8,207,450	\$ 8,180,076
Cost of sales, operating and administrative expenses	(7,452,304)	(8,092,193)
Profit before the undernoted	755,146	87,883
Finance costs, net	(190,973)	(259,415)
Profit (loss) and comprehensive income (loss)	\$ 564,173	\$ (171,532)
- attributable to Bigstone Cree Nation	564,173	(96,001)
- attributable to BPLP	-	(75,531)

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 6. Investments in government business enterprises (continued):

### (c) Bigstone Business Trust (BBT):

BBT includes the accounts of Bigstone Lot 25 Limited Partnership (Lot 25). Lot 25 owns and operates a strip mall in Wabasca-Desmarais. The following table provides condensed supplementary financial information for BBT for the year ended March 31:

	2015	2014
Financial position:		
Current assets	\$ 47,094	\$ 127,849
Due from Bigstone Health Holdings Ltd.	3,802	48,644
Investment properties	4,218,935	4,440,983
Total assets	4,269,831	4,617,476
Current liabilities	2,903,460	3,003,449
Due to Bigstone Cree Nation	1,670,624	1,663,216
Non-current liabilities	271,494	328,616
Total liabilities	4,845,578	4,995,281
Total deficiency	\$ (575,747)	\$ (377,805)
- attributable to BBT	(575,747)	(377,805)
- attributable to BEH	-	-
Results of operations:		
Revenues	\$ 474,881	\$ 347,291
Cost of sales, operating and administrative expenses	552,048	(442,478)
Loss before the undernoted	(77,167)	(95,187)
Finance costs, net	(120,775)	(124,504)
Loss and comprehensive loss	\$ (197,942)	\$ (219,691)
Loss and comprehensive loss is attributable to:		
- attributable to BBT	(197,942)	(219,691)
- attributable to BEH	-	-

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 6. Investments in government business enterprises (continued):

### (d) Bigstone Health Commission Business Trust (BHCBT):

BCN's interest in BHCBT is comprised of the following investments:

Entity	Principal Activities
Bigstone Pharmacy Limited Partnership (BPLP), 99.99% limited partnership interest (see (i) below)	Pharmacy in Wabasca
KTC Bigstone Limited Partnership (KTCBLP), 49.99% limited partnership interest (see (ii) below)	Pharmacy in Slave Lake
Bigstone Dental & Orthodontic Services Limited Partnership (BDOSLP), 99.99% limited partnership interest (see (iii) below)	Dental and orthodontic services
Bigstone Business Services Limited Partnership (BBSLP), 99.99% limited partnership interest (see (iii) below)	Office rental
1787990 Alberta Ltd., 100% subsidiary (see (iv) below)	Healthcare retail store

(i) Bigstone Pharmacy Limited Partnership (BPLP) operates a pharmacy in Wabasca-Desmarais, Alberta. The following table provides condensed supplementary financial information for BPLP for the year ended December 31:

	2014	2013
Financial position:		
Current assets	\$ 797,335	\$ 820,623
Due from KTC Bigstone Limited Partnership	93,665	-
Property, plant and equipment	110,034	137,542
Total assets	1,001,034	958,165
Current liabilities	232,620	91,712
Due to Bigstone Health Holdings Ltd.	527,861	729,557
Due to Bigstone Cree Nation	349,183	495,731
Total liabilities	1,109,664	1,317,000
Total deficiency	\$ (108,630)	\$ (358,835)
- attributable to BHH	(108,630)	(358,835)
- attributable to BHCBT	-	-

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 6. Investments in government business enterprises (continued):

(d) Bigstone Health Commission Business Trust (BHCBT) (continued):

	2014	2013
Results of operations:		
Revenues	\$ 4,269,995	\$ 3,957,374
Cost of sales, operating and administrative expenses	(4,002,739)	(4,294,065)
Profit (loss) before the undernoted	267,256	(336,691)
Finance costs, net	(17,051)	(97,784)
Profit (loss) and comprehensive income (loss)	\$ 250,205	\$ (434,475)
- attributable to BHH	250,205	(329,642)
- attributable to BHCBT	-	(104,833)

BHCBT's interest in BPLP is comprised of the following:

	2015	2014
Due from Bigstone Pharmacy Limited Partnership at January 1	\$ 349,183	\$ 495,731
Total deficiency attributable to BHCBT	-	-
Net repayments to Bigstone Pharmacy Limited Partnership between January 1 and March 31	(8,475)	(185,725)
	\$ 340,708	\$ 310,006

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 6. Investments in government business enterprises (continued):

(d) Bigstone Health Commission Business Trust (BHCBT) (continued):

ii) The following tables provides condensed supplementary financial information for KTC Bigstone Limited Partnership (KTCBLP) for the period from the commencement of operations on April 1, 2014 to December 31, 2014:

	2014	2013
Financial position:		
Current assets	\$ 438,467	\$ -
Property, plant and equipment	321,392	-
Total assets	759,859	-
Current liabilities	330,752	-
Due to Bigstone Cree Nation	259,355	-
Due to KTC Health Commission and related entities	228,160	-
Other liabilities	87,855	-
Total liabilities	906,122	-
Total deficiency	\$ (146,263)	\$ -
- attributable to KTC Health Commission	(73,131)	-
- attributable to BHCBT	(73,132)	-
	2014	2013
Results of operations:		
Revenues	\$ 475,565	\$ -
Cost of sales, operating and administrative expenses	(655,825)	-
Results from operating activities	(180,260)	-
Finance costs, net	(8,003)	-
Loss and comprehensive loss	\$ (188,263)	\$ -
- attributable to KTC Health Commission	(94,132)	-
- attributable to BHCBT	(94,131)	-

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 6. Investments in government business enterprises (continued):

(d) Bigstone Health Commission Business Trust (BHCBT) (continued):

BCN's interest in KTCBLP is comprised of the following:

	2015	2014
Due from KTC Bigstone Limited Partnership at January 1	\$ 259,355	\$ -
Total deficiency attributable to BHCBT	(73,132)	-
Net repayments to Bigstone Pharmacy Limited Partnership between January 1 and March 31	(122,409)	157,273
	\$ 63,814	\$ 157,273

iii) Bigstone Business Services Limited Partnership and Bigstone Dental and Orthodontic Services Limited Partnership were established on February 26, 2015. The partnerships have not commenced operations and remain inactive at March 31, 2015.

iv) During the year BCN advanced \$5,000 to 1787990 Alberta Ltd., a new subsidiary that was incorporated during the year. This subsidiary is inactive at March 31, 2015.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 6. Investments in government business enterprises (continued):

### (e) Bigstone Forestry Limited Partnership (BFLP):

BFLP provides timber harvesting services for customers under harvesting contracts in Northern Alberta. The following table provides condensed supplementary financial information for BFLP for the year ended April 30:

	2015	2014
Financial position:		
Current assets	\$ 303,863	\$ 305,293
Property, plant and equipment	1,395,546	2,400,333
Total assets	1,699,409	2,705,626
Current liabilities	726,736	1,098,021
Non-current liabilities	553,537	992,501
Total liabilities	1,280,273	2,090,522
Total equity	\$ 419,136	\$ 615,104
- attributable to Bigstone Cree Nation	419,136	-
- attributable to BEH	-	-
Results of operations:		
Revenues	\$ 4,803,702	\$ 4,535,600
Cost of sales, operating and administrative expenses	(4,999,669)	(4,791,367)
Loss before the undernoted	(195,967)	(255,767)
Gain on disposal of property, plant and equipment	-	275,600
Profit (loss) and comprehensive income (loss)	\$ (195,967)	\$ 19,833
- attributable to Bigstone Cree Nation	(195,967)	19,833
- attributable to BEH	-	-

### (f) Abcor Forest Industries Inc.:

Abcor Forest Industries Inc. represented BCN's present commitment of \$ nil (2014 - \$162,730) to a forestry partnership which included other First Nation organizations and corporate entities formed to pursue forestry projects in Northern Alberta. As BCN does not expect to realize a return from this investment, an impairment \$162,730 was recorded during the year.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 7. Contributions repayable:

	2015	2014 (Recasted - note 18)
Government of Canada: AANDC	\$ 299,554	\$ 517,744
	\$ 299,554	\$ 517,744

## 8. Deferred revenue:

	2015	2014 (Recasted - note 18)
Government transfers:		
Government of Canada:		
AANDC	\$ 80,197	\$ 725,084
Health Canada	750,311	869,532
Other	102,261	151,855
	932,769	1,746,471
Government of Alberta:		
Operating transfers	-	394,037
Capital transfers – First Nations Development Fund	2,001,427	2,029,349
	2,934,196	4,169,857
Other transfers and unearned revenue	563,493	589,040
	\$ 3,497,689	\$ 4,758,897

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 9. Long-term debt:

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

	2015	2014
<u>CMHC Housing Projects</u>		
CMHC Section 95 mortgage on 10 unit project bearing interest at 2.63% per annum, repayable at \$4,024 per month including interest, due May 2031	\$ 635,942	\$ 667,143
CMHC Section 95 mortgage on 5 unit project bearing interest at 1.64% per annum, repayable at \$1,655 per month including interest, due July 2025	205,328	221,686
CMHC Section 95 mortgage on handicap units bearing interest at 2.61% per annum, repayable at \$688 per month including interest, due May 2025	73,450	79,654
CMHC Section 95 mortgage on 43 unit project bearing interest at 3.17% per annum, repayable at \$30,883 per month including interest, due November 2028	4,059,272	4,313,057
CMHC Section 95 mortgage on 3 unit project bearing interest at 1.62% per annum, repayable at \$1,578 per month including interest, due January 2033	293,305	307,384
CMHC Section 95 mortgage on 6 unit project bearing interest at 3.47% per annum, repayable at \$4,374 per month including interest, due April 2028	540,702	577,389
CMHC Section 95 mortgage on 11 unit project bearing interest at 2.61% per annum, repayable at \$4,175 per month including interest, due July 2024	414,320	453,564
CMHC Section 95 mortgage on 9 unit project bearing interest at 1.64% per annum, repayable at \$2,974 per month including interest, due August 2026	371,479	400,838
CMHC Section 95 mortgage, special allocation on 6 unit project bearing interest at 1.71% per annum, repayable at \$3,094 per month including interest, due December 2027	417,758	447,496
CMHC Section 95 mortgage on 12 unit project bearing interest at 2.57% per annum, repayable at \$8,212 per month including interest, due December 2034	1,524,446	1,584,302

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 9. Long-term debt (continued):

	2015	2014
<u>CMHC Housing Projects</u>		
CMHC Section 95 mortgage on 20 unit project bearing interest at 1.61% per annum, repayable at \$17,447 per month including interest, due November 2032	3,218,599	3,374,946
CMHC Section 95 mortgage on 25 unit project bearing interest at 2.78% per annum, repayable at \$18,546 per month including interest, due July 2030	2,776,772	2,920,391
<u>Education - Community School</u>		
CIBC Mortgage Inc. Teacherages loan bearing interest at 5.39% per annum, repayable at \$3,208 per month including interest, due October 2015	222,323	248,226
GE Canada School Bus loan bearing interest at 8.95% per annum, repayable at \$3,866 per month (excluding July and August) including interest, due June 2016	47,189	79,897
<u>Economic Development</u>		
CIBC North Eight Contracting Ltd. building loan bearing interest at prime plus 1.50% per annum, repayable at \$6,667 per month plus interest, due on demand	800,000	880,000
<u>Calling Lake</u>		
Capital lease bearing interest at 5.00% per annum, repayable at \$4,446 per month including interest, due March 2015, collateralized by equipment with a net book value of \$201,075	250	53,598
<u>Bigstone Cree Nation Child and Family Services Society</u>		
Capital lease, repayable at \$10,081 per year due June 2017, collateralized by equipment with a new book value of \$31,686	18,450	26,883

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 9. Long-term debt (continued):

	2015	2014
<u>Bigstone Health Commission</u>		
Royal Bank of Canada term loan bearing interest at 4.91% per annum, repayable at \$7,370 per month including interest, due May 2017	1,024,289	1,061,441
Royal Bank of Canada CMHC Section 10 mortgage bearing interest at 4.42% per annum, repayable at \$3,460 per month including interest, due on demand	147,475	184,312
<u>Bigstone Cree Nation Women's Shelter</u>		
CIBC loan bearing interest at prime plus 1.00% per annum, repayable on demand	600,000	-
	<u>\$ 17,391,349</u>	<u>\$ 17,882,207</u>

Long-term debt is secured as follows:

- A general security agreement granting the CIBC a first charge and security interest in all of BCN's present and after-acquired personal property of every nature and kind; an irrevocable assignment to AANDC, directing that AANDC pay to CIBC all funds payable by AANDC to BCN; a first charge over specific buildings, mobile homes and automotive equipment; guarantees in the amount of \$1,200,000 from each of North Eight Contracting Ltd. and 458 Holdings Ltd. and adequate insurance with first loss payable to CIBC.
- CMHC Section 95 mortgages on member homes are guaranteed by AANDC.
- CMHC Section 10 mortgage on mobile homes is guaranteed by AANDC.
- Royal Bank of Canada loan is also collateralized by guarantee and postponement of claim in the amount of \$1,125,000.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 9. Long-term debt (continued):

Future annual principal repayments over the next five years and thereafter are as follows:

2016	\$	2,689,888
2017		893,254
2018		1,805,591
2019		880,372
2020		893,824
Thereafter		10,228,420
	\$	17,391,349

BCN has an operating line of credit with CIBC bearing interest at prime rate plus 1% (2014 - prime plus 1%), authorized to a maximum of \$600,000 (2014 - \$600,000), and is collateralized as follows:

- A general security agreement granting the CIBC a first charge and security interest in all of BHC's present and after-acquired personal property of every nature and kind;
- An irrevocable assignment to AANDC, directing that AANDC pay to CIBC all funds payable by AANDC to BHC; and
- An irrevocable assignment of all Health Canada funds, directing that Health Canada pay to CIBC all funds payable by Health Canada to BHC.

At March 31, 2015, this line of credit had not been drawn upon (2014 - \$ nil).

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 10. Tangible capital assets:

Cost	2014	Additions	Disposals	2015
Buildings	\$ 50,612,693	\$ 1,509,580	\$ -	\$ 52,122,273
Land and land improvements	3,043,458	-	-	3,043,458
Infrastructure	6,803,732	-	-	6,803,732
Mobile homes	7,194,747	9,954	-	7,204,701
Automotive	5,026,942	229,301	(762,612)	4,493,631
Equipment	1,264,545	26,969	(4,611)	1,286,903
Mobile homes under capital lease	406,459	-	-	406,459
Computer equipment	436,342	47,596	(5,872)	478,066
Fences and signs	149,953	60,577	-	210,530
Furniture and fixtures	668,947	11,080	-	680,027
	\$ 75,607,818	\$ 1,895,057	\$ (773,095)	\$ 76,729,780

Accumulated amortization	2014	Amortization	Disposals	2015
Buildings	\$ 16,647,047	\$ 1,702,097	\$ -	\$ 18,349,144
Infrastructure	2,783,752	214,340	-	2,998,092
Mobile homes	5,745,701	312,248	-	6,057,949
Automotive	3,482,875	397,419	(570,335)	3,309,959
Equipment	558,156	143,053	-	701,209
Mobile homes under capital lease	127,100	33,850	-	160,950
Computer equipment	284,469	51,256	-	335,725
Fences and signs	103,571	10,696	-	114,267
Furniture and fixtures	447,285	46,184	-	493,469
	\$ 30,179,956	\$ 2,911,143	\$ (570,335)	\$ 32,520,764

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 10. Tangible capital assets (continued):

Net book value	2015	2014
Buildings	\$ 33,773,129	\$ 33,965,646
Land and land improvements	3,043,458	3,043,458
Infrastructure	3,805,640	4,019,980
Mobile homes	1,146,752	1,449,046
Automotive	1,183,672	1,544,067
Equipment	585,694	706,389
Mobile homes under capital lease	245,509	279,359
Computer equipment	142,341	151,873
Fences and signs	96,263	46,382
Furniture and fixtures	186,558	221,662
	\$ 44,209,016	\$ 45,427,862

During the year, BCN began construction of a new women's shelter. At March 31, 2015, buildings includes \$1,429,673 related to the women's shelter. As the construction is not complete, amortization has not yet commenced.

In addition, BCN provided capital distributions of \$2,396,205 (2014 - \$1,410,314) to the community of Chipewyan Lake and \$3,068,777 (2014 - \$1,678,864) to the community of Calling Lake to purchase certain tangible capital assets. The related tangible capital assets have not been recognized in the consolidated financial statements of BCN.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 11. Accumulated surplus:

	2015	2014 (Recasted - note 18)
Operating fund:		
Unrestricted (deficiency)	\$ (1,913,629)	\$ (2,427,146)
CMHC replacement reserve fund (see note 2)	834,627	764,197
Severance fund (see note 2)	-	400,000
	(1,079,002)	(1,262,947)
Settlement trust funds:		
Realized	104,830,689	108,639,255
Accumulated remeasurement gains	8,029,592	4,128,744
	112,860,281	112,767,999
Trust funds held by federal government	738,976	1,172,180
Invested in government business enterprises	14,267,470	15,131,783
Moveable Assets Reserve (see below)	1,400,613	-
Invested in tangible capital assets	26,817,667	27,545,655
	\$ 155,006,005	\$ 155,354,670

During the year BCN received a one-time payment of \$1,050,957 to fund moveable assets previously paid for by BCN. Moveable assets are defined as fixtures or pieces of equipment which are not permanently affixed to a building or structure, and which can be disposed of or replaced separately. In addition to this one-time funding, BCN is eligible to receive scheduled payments of \$349,656 per year to fund the replacement of these moveable assets for the years ended March 31, 2014 – 2023. During the year BCN received \$699,312 related to the years ended March 31, 2014 and 2015.

The Moveable Assets Reserve (MAR) is comprised of the following:

	2015	2014
Balance, beginning of year	\$ -	\$ -
Amount advanced during the year	1,750,269	-
Revenues generated	-	-
Expenses (acquisition and replacement)	(349,656)	-
Balance, end of year	\$ 1,400,613	\$ -

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 12. Government transfers:

	Budget	2015	2014
Government of Canada, operating:			
AANDC – contribution funding, BCN	\$ 21,063,293	\$ 19,931,444	\$ 19,263,236
AANDC – non-contribution funding, BCN	-	67,183	69,528
AANDC – contribution funding, Bigstone Cree Nation Child and Family Services Society	3,886,903	3,886,903	3,807,057
CMHC	43,903	941,794	898,132
Health Canada	19,715,890	18,544,825	19,148,442
Service Canada	1,496,378	1,647,619	1,830,688
Other government of Canada agencies	188,725	293,787	161,566
Government of Canada, capital:			
Health Canada moveable assets reserve	-	1,750,269	-
Government of Alberta, operating:			
Government of Alberta and other agencies	564,493	424,894	407,490
Government of Alberta, capital:			
First Nations Development Fund	1,556,000	2,419,778	1,212,286
	\$ 48,515,585	\$ 49,908,496	\$ 46,798,425

## 13. Investment income:

	2015	2014
Investment income, net	\$ 3,633,166	\$ 3,116,989
Realized gains (losses) on disposal of investments	391,224	(269,153)
	\$ 4,024,390	\$ 2,847,836

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 14. Expenses by object:

		2015	2014 (Recasted - note 18)
	Budget		
Salaries, wages, benefits and honoraria	\$ 16,097,952	\$ 16,621,259	\$ 16,634,548
Tuition and training	10,537,227	10,905,875	9,800,029
Non-insured health benefit program costs	8,087,000	8,302,565	7,270,144
Capital distributions to Calling Lake and Chipewyan Lake communities	8,824,000	5,464,982	3,089,178
Repairs and maintenance	2,696,820	4,448,831	4,054,265
Administration and office	3,382,786	3,727,108	4,138,304
Program delivery	4,409,283	3,469,471	3,049,713
Travel and meetings	3,605,277	3,464,735	2,329,562
Amortization of tangible capital assets	-	2,911,143	3,218,951
Utilities	1,963,743	2,355,741	2,490,847
Professional fees	1,334,016	2,078,614	1,665,446
Other	1,174,829	1,306,669	1,348,394
Bad debt	-	746,183	366,320
Per capita distributions to individual beneficiaries	-	529,543	522,833
Interest and bank charges	126,396	457,970	559,656
(Gain) loss on disposal of tangible capital assets	-	(47,486)	208,239
	\$ 62,239,329	\$ 66,743,203	\$ 60,746,429

## 15. Commitments, contingencies and guarantees:

The annual commitments for operating leases of office equipment are insignificant in total and therefore the annual commitments have not been disclosed in the consolidated financial statements.

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

- Bigstone Store Ltd., unlimited bank loan guarantee, as at March 31, 2015 the total available credit is \$70,000 and the amount drawn is \$ nil.
- North Eight Contracting Ltd., unlimited bank loan guarantee, as at March 31, 2015 the total available credit is \$500,000 and the amount drawn is \$388,540.
- Bigstone Oilfield Services and Supplies Ltd., unlimited bank loan guarantee, as at March 31, 2015 the total available credit is \$500,000 and the amount drawn is \$ nil.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

---

## 15. Commitments, contingencies and guarantees (continued):

- Bigstone Professional Centre, limited bank loan guarantee, as at March 31, 2015 the total amount guaranteed is \$1,779,471.
- Bigstone Dental and Orthodontic Services Ltd., limited guarantee on demand of all liabilities, as at March 31, 2015 the amount guaranteed is limited to \$107,926.
- Bigstone Health Commission, limited bank loan guarantee, as at March 31, 2015 the total available credit is \$1,125,000 and the amount guaranteed is \$1,024,289.

In addition, in the normal course of operations, BCN 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 in BCN's consolidated financial statements.

## 16. Financial risks and concentration of credit risk:

### (a) Credit risk:

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

BCN assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of BCN at March 31, 2015 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the statement of operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations.

The maximum exposure to investment credit risk is outlined in notes 4 and 5.

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

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

---

## 16. Financial risks and concentration of credit risk (continued):

### (b) Liquidity risk:

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

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

The contractual maturities of long-term debt is disclosed in note 9.

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

### (c) Geographical risk:

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

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

### (d) Market risk:

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

#### (i) Foreign exchange risk:

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

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

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

---

## 16. Financial risks and concentration of credit risk:

(d) Market risk (continued):

(ii) Interest rate risk:

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

Financial assets and financial liabilities with variable interest rates expose BCN to cash flow interest rate risk. BCN is exposed to this risk through its variable interest bearing long-term debt as disclosed in note 9 and its portfolio investments - settlement trust funds as disclosed in note 4.

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

## 17. Segment disclosures:

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

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

---

## 18. Recast of prior year comparative financial information:

The comparative financial information has been recasted for the following matters:

a) Investments in government business enterprises, containing investments in BEH, BHH, BPLP, BFLP, Lot 25, and Abcor Forest Industries Ltd., included the carrying amount of the investment in Lot 25 in both the investment in BEH and the investment in Lot 25. The carrying amount of the investment in BPLP was also included in both the investment in BHH and the investment in BPLP. As such, the amounts of investments in government business enterprises Lot 25 and BPLP were overstated in investments in government business enterprises balance in the consolidated statement of financial position.

b) Certain investments in government business enterprises were incorrectly included in accounts receivable in the consolidated statement of financial position. Certain amounts of income from investments in government business enterprises were incorrectly included in user fees, rent and sales of goods and services in the consolidated statement of operations and accumulated operating surplus.

c) BCN did not appropriately apply its revenue recognition accounting policy related to certain government transfers. Government transfers are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for the specific purpose and certain contributions were inappropriately included in deferred revenue in the consolidated statement of financial position. In addition, certain contributions repayable were inappropriately included in deferred revenue in the consolidated statement of financial position.

Certain other comparative amounts have been reclassified to conform with the consolidated financial statement presentation adopted in the current year.

# BIGSTONE CREE NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 18. Recast of prior year comparative financial information (continued)

The impact of these changes has been recorded retrospectively and prior periods have been recasted as follows:

	March 31, 2014 (Previously reported)	Adjustments a)	Adjustments b)	Adjustments c)	March 31, 2014 (Recasted)
Consolidated statement of financial position:					
Accounts receivable	\$ 2,655,028	\$ -	\$ (157,273)	\$ -	\$ 2,497,755
Investments in government business enterprises	17,133,457	(2,158,947)	157,273	-	15,131,783
Contributions repayable	-	-	-	517,744	517,744
Deferred revenue	6,570,321	-	-	(1,811,424)	4,758,897
Consolidated statement of operations and accumulated operating surplus:					
Government transfers - net amounts deferred	1,014,470	-	-	219,374	1,233,844
User fees, rent and sales of goods and services	6,476,822	-	(240,898)	-	6,235,924
Administration and governance expenses	3,654,492	153,921	-	-	3,808,413
Income from investments in government business enterprises	1,021,922	-	240,898	-	1,262,820
Annual operating deficit	2,349,567	153,921	-	219,374	2,722,862
Accumulated operating surplus, beginning of year	154,440,760	(2,005,026)	-	1,513,054	153,948,788
Accumulated operating surplus, end of year	152,091,193	(2,158,947)	-	1,293,680	151,225,926