

**Smith's Landing First Nation #196**  
**Consolidated Financial Statements**  
**March 31, 2017**

# **Smith's Landing First Nation #196**

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## Smith's Landing First Nation

Thebacha Nare IR # 196

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### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying financial statements of the **Smith's Landing First Nation #196** are the responsibility of management and have been approved by the Chief and Chief Executive Officer on behalf of Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members. Doyle & Company have full and free access to the Council.

Original signed by Chief

Original signed by Chief Executive Officer

Allan J. Grykuliak, CPA, CA\*

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## INDEPENDENT AUDITORS' REPORT

To the Chief and Council

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the **Smith's Landing First Nation #196**, which comprise the statement of financial position as at March 31, 2017 and the statements of financial activities, change in net financial assets and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

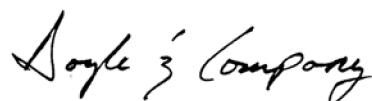
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 preparations 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.

### Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Smith's Landing First Nation #196 as at March 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



December 19, 2017

Edmonton, Alberta

Chartered Professional Accountants

**Smith's Landing First Nation #196**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2017**

	<b>2017</b> \$	<b>2016</b> \$
<b>FINANCIAL ASSETS</b>		
Cash	648,165	439,723
Restricted cash (Note 3)	428,286	154,379
Short-term investment (Note 4)	19,212	19,079
Accounts receivable (Note 5)	236,215	679,644
Investment in First Nation controlled entities (Note 6)	-	-
Trust funds held by federal government (Note 7)	9,691	-
	<b>1,341,569</b>	1,292,825
<b>LIABILITIES</b>		
Accounts payable (Note 8)	338,516	421,201
Deferred revenue (Note 9)	172,483	340,732
	<b>510,999</b>	761,933
<b>NET FINANCIAL ASSETS</b>	<b>830,570</b>	530,892
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	2,210,691	2,128,756
Prepaid expenses	19,709	15,011
Investments (Note 10)	27,479,531	26,374,958
	<b>29,709,931</b>	28,518,725
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 14)</b>	<b>30,540,501</b>	29,049,617

**Approved by the First Nation:**

\_\_\_\_ Original signed by \_\_\_\_\_ Chief      \_\_\_\_ Original signed by \_\_\_\_\_ Councillor  
 \_\_\_\_\_ Original signed by \_\_\_\_\_ Councillor      \_\_\_\_ Original signed by \_\_\_\_\_ Councillor  
 \_\_\_\_\_ Original signed by \_\_\_\_\_ Councillor

**Smith's Landing First Nation #196**  
**Consolidated Statement of Financial Activities**  
**For the year ended March 31, 2017**

	2017 Budget (Note 17)	2017 Actual	2016 Actual
	\$	\$	\$
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada			
Grant	100,799	184,676	184,604
Fixed contribution	509,601	947,150	431,781
Set contribution	109,134	344,282	527,163
Akaitcho Territory Government	59,500	122,900	94,750
Alberta Government	134,269	159,344	149,196
First Nation Development Fund	460,000	433,920	474,927
Health Canada	-	-	98,599
Investment income	1,000,000	1,000,000	1,000,000
Other revenue (recovery)	-	(165)	40,793
Recovery of funding	-	-	(353,864)
Revenue deferred from previous period	-	143,841	103,186
Revenue deferred to subsequent period	-	-	(168,281)
	<b>2,373,303</b>	<b>3,335,948</b>	<b>2,582,854</b>
<b>EXPENDITURES</b>			
Administration	816,863	763,516	825,161
Alberta Government	460,000	34,172	39,269
Capital Projects	75,000	84,470	75,000
Cassette Island Project	-	15,691	98,599
Chief and Council	282,312	265,992	246,349
Economic Development	65,740	441,191	200,083
Education	200,000	128,258	170,699
First Nation Development Fund	39,269	525,363	369,972
Housing	142,000	13,140	192,032
Moose Hide Tanning	-	-	10,000
Public Works	186,252	187,172	192,249
Social Development	105,867	379,753	53,883
	<b>2,373,303</b>	<b>2,838,718</b>	<b>2,473,296</b>
<b>Excess of Revenue Over Expenditures</b>			
<b>Before Other Expenditures</b>	<b>-</b>	<b>497,230</b>	<b>109,558</b>
<b>Other Expenditures</b>			
Amortization	-	(118,890)	(127,827)
Gain (Loss) on disposition of assets	-	7,971	(56,249)
	<b>-</b>	<b>(110,919)</b>	<b>(184,076)</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>386,311</b>	<b>(74,518)</b>

The accompanying notes form part of these financial statements.

**Smith's Landing First Nation #196**  
**Consolidated Statement of Change in Net Financial Assets**  
**For the year ended March 31, 2017**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Consolidated Statement of Financial Activity - continued</b>		
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>386,311</b>	<b>(74,518)</b>
Acquisition of tangible capital assets	(206,853)	-
Proceeds on disposal of tangible capital assets	14,000	60,000
Amortization of tangible capital assets	118,889	127,827
(Gain) Loss on disposal of capital assets	(7,971)	56,249
	<b>(81,935)</b>	244,076
Acquisition of prepaid assets	(19,709)	(15,011)
Use of prepaid assets	15,011	25,134
	<b>(4,698)</b>	10,123
<b>INCREASE IN NET ASSETS</b>	<b>299,678</b>	179,681
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>530,892</b>	351,211
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>830,570</b>	530,892

**Smith's Landing First Nation #196**  
**Consolidated Statement of Cash Flows**  
**For the year ended March 31, 2017**

	<b>2017</b> \$	<b>2016</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from funding agencies and other income	3,611,127	2,302,979
Cash paid to suppliers and employees	(2,926,101)	(2,079,922)
	<b>685,026</b>	223,057
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (Decrease) in long-term debt	-	(31,667)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) Decrease in investments	(9,691)	1,425
Purchase of tangible capital assets	(206,853)	-
Proceeds on disposal of tangible capital assets	14,000	60,000
	<b>(202,544)</b>	61,425
<b>INCREASE IN CASH DURING THE YEAR</b>	<b>482,482</b>	252,815
<b>CASH - Beginning of year</b>	<b>613,181</b>	360,366
<b>CASH - End of year</b>	<b>1,095,663</b>	613,181
<b>Cash consists of:</b>		
Cash	648,165	439,723
Restricted cash (Note 3)	428,286	154,379
Short-term investment (Note 4)	19,212	19,079
	<b>1,095,663</b>	613,181

**Smith's Landing First Nation #196**  
**Schedule of Changes in Accumulated Surplus - Schedule 1**  
**For the year ended March 31, 2017**

	Unrestricted Surplus \$	Equity in Tangible Capital Assets \$	Equity in Trust Funds \$	Equity in Settlement Capital \$	2017 \$	2016 \$
<b>Balance, Beginning of Year</b>	<b>545,903</b>	<b>2,128,756</b>		<b>26,374,958</b>	<b>29,049,617</b>	30,200,012
Excess of revenue over expenses	386,311	-	-	2,104,573	2,490,884	(150,395)
Investment income	(9,691)	-	9,691	-	-	-
Capital funds used for operations	-	-	-	(1,000,000)	(1,000,000)	(1,000,000)
Current years funds used for tangible capital assets	(206,853)	206,853	-	-	-	-
Disposal of tangible capital assets	42,201	(42,201)	-	-	-	-
Annual amortization expense	118,889	(118,889)	-	-	-	-
Amortization of disposed assets	(36,172)	36,172	-	-	-	-
Change in accumulated surplus	294,685	81,935	9,691	1,104,573	1,490,884	(1,150,395)
<b>Balance, End of Year</b>	<b>840,588</b>	<b>2,210,691</b>	<b>9,691</b>	<b>27,479,531</b>	<b>30,540,501</b>	29,049,617

The accompanying notes form part of these financial statements.

**Smith's Landing First Nation #196**  
**Consolidated Statement of Tangible Capital Assets - Schedule 2**  
**For the year ended March 31, 2017**

	Land	Automotive	Buildings & Infrastructure	Equipment	Infrastructure	2017	2016
	\$	\$	\$	\$	\$	\$	\$
<b>COST:</b>							
Balance, Beginning of Year	391,772	407,964	1,913,676	238,067	251,543	3,203,022	3,361,014
Acquisition of tangible capital assets	-	59,075	145,776	2,002	-	206,853	-
Disposal of tangible capital assets	-	(42,201)	-	-	-	(42,201)	(157,992)
Balance, End of Year	391,772	424,838	2,059,452	240,069	251,543	3,367,674	3,203,022
<b>ACCUMULATED AMORTIZATION:</b>							
Balance, Beginning of Year	-	299,370	502,341	174,544	98,011	1,074,266	988,182
Annual amortization	-	39,630	59,369	13,750	6,140	118,889	127,827
Accumulated amortization on disposals	-	(36,172)	-	-	-	(36,172)	(41,743)
Balance, End of Year	-	302,828	561,710	188,294	104,151	1,156,983	1,074,266
<b>NET BOOK VALUE</b>	<b>391,772</b>	<b>122,010</b>	<b>1,497,742</b>	<b>51,775</b>	<b>147,392</b>	<b>2,210,691</b>	<b>2,128,756</b>

The accompanying notes form part of these financial statements.

**Smith's Landing First Nation #196**  
**Consolidated Statement of Financial Activities - Schedule 3**  
**For the year ended March 31, 2017**

	INAC Revenue	Other Revenue	Total Revenue	Total Expenditures	Surplus (Deficit) Before Capital	Capital Expenditures	Surplus (Deficit) Without Capital
		\$	\$	\$	\$	2017	2016
Administration	185,386	622,038	807,424	763,516	43,908	47,888	(244,932)
Alberta Government	-	40,050	40,050	34,172	5,878	-	134,269
Capital Projects	206,446	-	206,446	84,470	121,976	13,095	-
Cassette Island Project	-	-	-	15,691	(15,691)	-	-
Chief and Council	1,250	282,312	283,562	265,992	17,570	-	46,113
Desnethe Trial	-	70,000	70,000	-	70,000	29,181	-
Economic Development	410,492	24,344	434,836	441,191	(6,355)	-	-
Education	-	200,000	200,000	128,258	71,742	-	29,301
First Nation Development Fund	-	575,313	575,313	525,363	49,950	14,689	-
Health	40,000	-	40,000	-	40,000	-	-
Housing	102,000	40,000	142,000	13,140	128,860	102,000	-
Moose Hide Tanning	-	-	-	-	-	-	-
Public Works	186,252	5,783	192,035	187,172	4,863	-	-
Social Development	344,282	-	344,282	379,753	(35,471)	-	-
	1,476,108	1,859,840	3,335,948	2,838,718	497,230	206,853	(35,249)

The accompanying notes form part of these financial statements.

**Smith's Landing First Nation #196**  
**Consolidated Statement of Expenditures by Object - Schedule 4**  
**For the year ended March 31, 2017**

	<b>2017 Actual \$</b>	<b>2016 Actual \$</b>
<b>EXPENDITURES</b>		
Administration	1,677	14,157
Contract labour	74,342	127,370
Honorarium	121,659	153,162
Housing	14,353	90,032
Insurance	33,857	27,897
Interest, bank charges and loan payments	5,091	10,820
Meeting costs	23,393	28,077
Members needs	59,336	48,150
Office and supplies	504,015	205,908
Professional fees	174,994	176,255
Program expenses	131,135	164,349
Repairs and maintenance	635,147	397,365
Travel	192,898	122,169
Tuition, allowances, bursaries and training	128,767	177,710
Vehicle	4,519	8,951
Wages and employee benefits	733,536	720,924
<b>TOTAL EXPENDITURES</b>	<b>2,838,719</b>	<b>2,473,296</b>

# Smith's Landing First Nation #196

## Notes to the Consolidated Financial Statements

### March 31, 2017

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#### **DESCRIPTION OF OPERATIONS**

The Smith's Landing First Nation's (the "First Nation") primary function is to administer the affairs of the Smith's Landing First Nation #196. The main focus of the Council is the social and political programs of the First Nation.

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Smith's Landing First Nation #196 are the representations of the management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

##### **(a) Basis of Accounting**

The financial statements are prepared using accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted as deferred revenue until used for the purpose specified.

Revenue is recognized in the period when the related expenses are incurred, services performed or the related tangible capital assets are acquired or built.

##### **(b) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash in bank accounts and temporary investments with maturities of three months or less.

##### **(c) Investments**

Smith's Landing First Nation #196 accounts for its investment in the Smith's Landing Development Corporation on the modified equity basis, which records the initial investment at cost, and is adjusted annually by the subsidiary's net earnings. Unrealised gains or losses are eliminated, but inter-organizational transactions and balances are not eliminated on consolidation.

Investments with CIBC Wood Gundy are recorded at fair market value.

##### **(d) 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 normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

# Smith's Landing First Nation #196

## Notes to the Consolidated Financial Statements

### March 31, 2017

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#### **1. SIGNIFICANT ACCOUNTING POLICIES - continued**

##### **(d) Non-Financial Assets - continued**

###### **i) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a declining balance method over the estimated useful life of the assets at the annual rates as follows:

Automotive	30%
Buildings	4%
Equipment	20%
Infrastructure	10%

Annual amortization is charged in the year of acquisition and not in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

###### **ii) Contributions of Tangible Capital Assets**

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

###### **iii) Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operation leases and the related lease payments are charges to expenses as incurred.

##### **(e) Financial Instruments**

The First Nation initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The First Nation subsequently measures all of its financial assets and liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes to fair value are recognized in net income.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income.

#### **2. MEASUREMENT UNCERTAINTY**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

**Smith's Landing First Nation #196**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2017**

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**3. RESTRICTED CASH**

	<b>2017</b>	<b>2016</b>
	\$	\$
First Nation Development Fund (FNDF)	<b>362,202</b>	88,328
<u>CIBC Land Acquisition Funds</u>	<b>66,084</b>	66,051
	<b>428,286</b>	154,379

**4. SHORT-TERM INVESTMENT**

The investment is a variable guaranteed investment certificate (GIC) with the Bank of Montreal (BMO). The term is for 1 year maturing January 2018 at an interest rate of 0.60%. The interest is calculated and paid at maturity.

**5. ACCOUNTS RECEIVABLE**

	<b>2017</b>	<b>2016</b>
	\$	\$
Akaitcho Territory Government	<b>14,861</b>	107,241
Indigenous and Northern Affairs Canada	-	260,198
First Nation Development Fund	<b>119,702</b>	237,680
Members	<b>96,379</b>	91,630
GST	<b>47,457</b>	44,545
Other	<b>30,462</b>	10,996
	<b>308,861</b>	752,290
<u>Allowance for doubtful accounts</u>	<b>(72,646)</b>	(72,646)
	<b>236,215</b>	679,644

**Smith's Landing First Nation #196**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2017**

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**6. INVESTMENT IN FIRST NATION CONTROLLED ENTITY**

	<b>2017</b> \$	<b>2016</b> \$
<b>Smith's Landing Development Corporation</b>		
Shares	10	10
Advances	18,847	18,847
Accumulated deficit in earnings	(18,857)	(18,857)
	-	-

Unaudited financial information for the above entity for its respective March 31, 2017 year ended is as follows:

	<b>Assets</b> \$	<b>Liabilities</b> \$	<b>Revenues</b> \$	<b>Net Earnings</b> \$
Smith's Landing Dev. Corp.	-	18,848	-	-

**7. EQUITY IN TRUST FUNDS**

	<b>2017</b> \$	<b>2016</b> \$
Balance, beginning of year	-	-
Earnings	9,691	-
Balance, end of year	9,691	-

These funds are in the revenue account with Indigenous and Northern Affairs Canada.

**8. ACCOUNTS PAYABLE**

	<b>2017</b> \$	<b>2016</b> \$
Trade	292,081	388,756
Receiver General	12,845	1,781
Wages and Vacation	33,590	30,663
	338,516	421,200

**Smith's Landing First Nation #196**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2017**

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**9. DEFERRED REVENUE**

	<b>2017</b> \$	<b>2016</b> \$
Indigenous and Northern Affairs Canada	-	2,448
First Nation Development Fund	-	165,834
<u>Land Acquisition</u>	<u>172,483</u>	<u>172,450</u>
	<b>172,483</b>	<b>340,732</b>

Smith's Landing First Nation #196 has a land acquisition bank account with \$66,084 and funds on deposit with CIBC Settlement account in the amount of \$106,399 for a total of \$172,483.

**10. INVESTMENTS**

	<b>2017</b> \$	<b>2016</b> \$
CIBC Wood Gundy		
Cash and cash equivalents	2,029,318	1,433,190
Fixed income	10,613,985	10,607,474
Equities	14,836,228	14,334,294
	<b>27,479,531</b>	<b>26,374,958</b>

The above investments are in accordance with the policy guidelines approved by the Smith's Landing First Nation #196 council. These amounts have been recorded at fair value. The amounts of unrealized gains included in these fair values are \$4,356,280 (2016 - \$3,518,330). The change between the opening and closing unrealized amounts is a gain/(loss) of \$837,950 (2016 - (\$884,127)) and have been recorded to the equity in settlement capital funds.

**11. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2017</b> \$	<b>2016</b> \$
Tangible capital assets (Schedule 2)	3,367,674	3,203,022
Accumulated amortization (Schedule 2)	(1,156,983)	(1,074,266)
	<b>2,210,691</b>	<b>2,128,756</b>

**Smith's Landing First Nation #196**  
**Notes to the Consolidated Financial Statements**  
**March 31, 2017**

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**12. EQUITY IN ENTERPRISE FUND**

	<b>2017</b> \$	<b>2016</b> \$
Balance, beginning of year	-	1,425
<u>Advances to (from) controlled entity</u>	-	(1,425)
Balance, end of year	-	-

**13. EQUITY IN SETTLEMENT CAPITAL FUND**

	<b>2017</b> \$	<b>2016</b> \$
Balance, beginning of year	<b>26,374,958</b>	27,450,835
Interest and dividends	683,790	688,155
Capital gains - realized	771,745	370,418
Change in opening and ending unrealized balance	896,826	(884,127)
Management fees	(247,788)	(250,323)
Transfer to general funds - operating revenue	(1,000,000)	(1,000,000)
Balance, end of year	<b>27,479,531</b>	26,374,958

**14. ACCUMULATED SURPLUS**

	<b>2017</b> \$	<b>2016</b> \$
Unrestricted surplus	840,588	545,903
Equity in tangible capital assets	2,210,691	2,128,756
Equity in trust funds	9,691	-
<u>Equity in settlement capital fund</u>	27,479,531	26,374,958
	<b>30,540,501</b>	29,049,617

# Smith's Landing First Nation #196

## Notes to the Consolidated Financial Statements

### March 31, 2017

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#### **15. FINANCIAL INSTRUMENTS AND CONCENTRATION OF RISK**

The Nation's financial instruments consist of cash, restricted cash, short-term investments, accounts receivable, investments, accounts payable, deferred revenue, and long-term liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

##### **Credit Risk**

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Nation by failing to discharge an obligation. The Nation's credit risk is mainly related to accounts receivable. The Nation provides credit to its clients in the normal course of its operations and assesses on a continuous basis the accounts receivable and records any amounts that are not collectible in the allowance for doubtful accounts.

##### **Market Risk**

Market risk is the risk that the fair value or future cash flows of the Nation's financial instrument will fluctuate because of changes in market prices. Some of the Nation's financial instruments expose it to this risk which comprises currency risk, interest rate risk, and other price risk.

##### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Nation may purchase services and goods from outside of Canada and incurs expenditures in foreign currency.

##### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. The Nation is exposed to interest rate risk on its bank account balances and any of its fixed and/or floating interest rate financial instruments.

##### **Liquidity Risk**

Liquidity risk is the risk that the Nation will encounter difficulty in meeting its obligations associated with financial liabilities. The Nation manages its liquidity risk by monitoring its operating requirements and cash forecasts to ensure it has sufficient funds to fulfil its financial obligations.

#### **16. COMPARATIVE FIGURES**

Certain comparative figures have been restated to conform with current year's presentation.

#### **17. BUDGET FIGURES**

The budget figures are presented for information purposes only and have not been audited.