

**Financial Statements of:**

**HOMALCO INDIAN BAND**

**Year ended March 31, 2016**

**HOMALCO INDIAN BAND**  
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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Homalco Indian Band and all the information in this annual report are the responsibility of management and have been approved by the Chief and 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 judgements. 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.

Homalco Indian Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

Homalco Indian Band is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the 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 annual report, the financial statements and the external auditor's report. The Council also recommends, for review and approval by the Members, the engagement of the external auditors.

The financial statements have been audited by Moeller Matthews in accordance with Canadian generally accepted auditing standards on behalf of the members.

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councilor

## INDEPENDENT AUDITORS' REPORT

To the Members of Homalco Indian Band:

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Homalco Indian Band, which comprise the summary statement of financial position as at March 31, 2016, and the summary statements of revenue and expenditure, changes in operating fund equity, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Basis For Qualified Opinion*

The Band uses either the modified equity method or cost method of accounting for all of its subsidiaries. Certain subsidiaries prepare financial statements for a period that is not coterminous with the Band. In addition, certain subsidiaries prepare financial statements that are not audited. Refer to Note 1 (e) for a summary of each subsidiary and their chosen reporting period, report type and accounting method. Had we conducted sufficient and appropriate audit procedures on the financial records of each subsidiary we would have been able to determine if any adjustments would have been necessary to investments and gain/loss on the income of each subsidiary.

### *Qualified Opinion*

In our opinion, except for the possible effects described in the Basis for Qualified Opinion paragraph above, the financial statements present fairly, in all material respects, the financial position of Homalco Indian Band as at March 31, 2016 and its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

  
Chartered Professional Accountants

# HOMALCO INDIAN BAND

## SUMMARY STATEMENT OF FINANCIAL POSITION - MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>Financial Assets</b>		
Cash	391,356	392,933
Accounts Receivable (Note 3)	132,295	155,435
Restricted Cash (Note 4)	43,979	41,993
Investments in Government Business Enterprises (Note 5)	299,015	428,814
Investments in Government Business Partnerships (Note 6)	856,254	805,491
Loans Receivable (Note 7)	<u>840,678</u>	<u>1,099,400</u>
	<u>2,563,577</u>	<u>2,924,066</u>
 <b>Liabilities</b>		
Bank Indebtedness (Note 8)	399,964	336,001
Accounts Payable (Note 9)	446,053	482,525
Accrued Interest Payable	1,331	1,506
Deferred Revenue (Note 10)	4,349	200
Long Term Debt (Note 11)	<u>9,179,340</u>	<u>9,165,407</u>
	<u>10,031,037</u>	<u>9,985,639</u>
 <b>Net Financial Assets (Debt)</b>	<u>(7,467,460)</u>	<u>(7,061,573)</u>
 <b>Non Financial Assets</b>		
Tangible capital assets (Notes 11 and 12)	6,591,837	7,066,710
Prepaid expenses (Note 13)	<u>18,540</u>	<u>60,698</u>
	<u>6,610,377</u>	<u>7,127,408</u>
 <b>Accumulated Surplus (Deficit)</b>	<u>(857,083)</u>	<u>65,835</u>
 <b>Contingent Liabilities (Note 15)</b>		

On behalf of the Band Council:

Mary Ann Enealdon Chief Councilor  
Dorothy Paul Councilor

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

**HOMALCO INDIAN BAND**  
**SUMMARY STATEMENT OF REVENUE AND EXPENDITURE**  
**YEAR ENDED MARCH 31, 2016**

	<b>2016</b>		<b>2015</b>
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
	<b>(Note 16)</b>		
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	1,594,956	1,644,923	1,982,374
Province of British Columbia	200,000	200,248	184,669
Government of Canada	---	223,960	223,960
British Columbia Treaty Commission	140,420	140,420	171,720
Canada Mortgage and Housing Corporation	59,161	59,161	59,161
Rent	307,596	339,638	288,771
Interest	200	3,061	7,270
Other	893,243	996,970	813,907
Homalco Wildlife Tours - income (loss)	---	(129,799)	319,474
Homalco Holdings Limited Partnership - income	---	50,769	60,211
	<b><u>3,195,576</u></b>	<b><u>3,529,351</u></b>	<b><u>4,111,517</u></b>
<b>Expenditure</b>			
Education	718,541	605,113	748,517
Health	375,066	351,205	369,377
Economic Development	23,031	485,781	437,437
Housing	324,750	309,279	403,578
Community Services	111,381	110,881	50,400
Social Services	617,190	697,758	639,096
Band Government	1,272,325	1,543,819	1,758,870
Employment Programs	249,691	249,691	60,416
Public Works	120,013	98,742	167,562
	<b><u>3,811,988</u></b>	<b><u>4,452,269</u></b>	<b><u>4,635,253</u></b>
<b>Annual Surplus (Deficit)</b>	<b>(616,412)</b>	<b>(922,918)</b>	<b>(523,736)</b>
<b>Accumulated Surplus - Beginning Of Year</b>	<b><u>65,835</u></b>	<b><u>65,835</u></b>	<b><u>589,571</u></b>
<b>Accumulated Surplus (Deficit) - End Of Year</b>	<b><u>(550,577)</u></b>	<b><u>(857,083)</u></b>	<b><u>65,835</u></b>

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

**HOMALCO INDIAN BAND**  
**SUMMARY STATEMENT OF CHANGES IN NET DEBT**  
**YEAR ENDED MARCH 31, 2016**

	<u>2016</u> <u>Budget</u> (Note 16)	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
	\$	\$	\$
Excess (Deficiency) Of Revenue Over Expenditure	(616,412)	(922,918)	(523,736)
Acquisition of tangible capital assets	---	(35,174)	(44,735)
Amortization of tangible capital assets	<u>116,000</u>	<u>510,047</u>	<u>521,314</u>
	(500,412)	(448,045)	(47,157)
Acquisition of prepaid expense	---	(18,540)	(60,698)
Use of prepaid expense	<u>---</u>	<u>60,698</u>	<u>61,041</u>
Change In Net Debt	(500,412)	(405,887)	(46,814)
Net Financial Assets (Net Debt) - Beginning Of Year	<u>(7,061,573)</u>	<u>(7,061,573)</u>	<u>(7,014,759)</u>
Net Financial Assets (Net Debt) - End Of Year	<u>(7,561,985)</u>	<u>(7,467,460)</u>	<u>(7,061,573)</u>

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

**HOMALCO INDIAN BAND**  
**SUMMARY STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
CASH PROVIDED BY (USED IN):	\$	\$
Operating Activities		
Annual Surplus (Deficit)	(922,918)	(523,736)
Items not affecting cash:		
Amortization	510,047	521,315
(Income) loss from subsidiaries	<u>79,030</u>	<u>(379,684)</u>
	(333,841)	(382,105)
Change in non cash working capital balances related to operations:		
Accounts receivable	23,140	91,362
Prepaid expenses	42,158	343
Accounts payable	(36,466)	137,296
Accrued interest payable	(175)	1,121
Deferred revenue	<u>4,149</u>	<u>---</u>
	<u>(301,035)</u>	<u>(151,983)</u>
Financing Activities		
Long term debt incurred	460,688	641,012
Repayment of long term debt	(446,755)	(478,361)
Change in bank indebtedness	<u>63,963</u>	<u>(173,678)</u>
	<u>77,896</u>	<u>(11,027)</u>
Investing Activities		
Change in loans receivable	<u>258,722</u>	<u>176,764</u>
Capital Activities		
Purchase of property and equipment	<u>(35,174)</u>	<u>(44,736)</u>
Change In Cash During Year	409	(30,982)
Cash - Beginning Of Year	<u>434,926</u>	<u>465,908</u>
Cash - End Of Year	<u><u>435,335</u></u>	<u><u>434,926</u></u>
Represented By		
Cash	391,356	392,933
Restricted cash	<u>43,979</u>	<u>41,993</u>
	<u><u>435,335</u></u>	<u><u>434,926</u></u>

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

**HOMALCO INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016**

**1. Basis Of Presentation And Significant Accounting Policies**

These financial statements have been prepared in accordance with generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of CPA Canada.

**a) Reporting Entity And Principles Of Financial Reporting**

The Homalco Indian Band reporting entity includes the Homalco Indian Band government and all related entities which are accountable to the Band and are either owned or controlled by the Band.

These financial statements consolidate the assets, liabilities and results of operations for the entities which use accounting principles which lend themselves to consolidation. All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

**b) Asset Classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

**HOMALCO INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016**

**c) Tangible Capital Assets**

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets are reported at net book value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Tangible capital assets are amortized annually with a corresponding reduction in equity in tangible capital assets. Assets are amortized over their expected useful life using the straight line method at the following rates:

General housing	4%
Buildings and improvements	4%
Equipment	20%
Infrastructure	4%
Boats	15%
Salmon hatchery assets	20%
Vehicles	30%

**Social Housing Fund and New Social Housing Fund**

Social Housing Fund assets acquired under C.M.H.C. sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long term debt, as required for C.M.H.C. reporting purposes.

**d) Revenue Recognition**

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

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

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

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

# HOMALCO INDIAN BAND

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016

e) Investments	<u>Report Period</u>	<u>Report Type</u>	<u>Accounting Method</u>
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Homalco Indian Band has the following investments:

**Government Business Enterprises:**

Homalco Wildlife Tours Inc.	March 31	Notice To Reader	Equity
Homalco Holdings Inc.	January 31	Notice To Reader	Cost

**Government Business Partnerships:**

Homalco Resources Management Limited Partnership	March 31	Notice To Reader	Equity
Homalco Holdings Limited Partnership	January 31	Notice To Reader	Equity

**f) Measurement Uncertainty**

In preparing the financial statements for the government of Homalco Indian Band, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these statements.

**2. Economic Dependence**

The government of Homalco Indian Band receives a major portion of its revenue from Aboriginal Affairs and Northern Development Canada and Health Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

3. Accounts Receivable	<u>2016</u>	<u>2015</u>
	\$	\$
Aboriginal Affairs and Northern Development Canada	5,000	5,879
Rent	94,499	90,861
Department of Fisheries and Oceans	22,396	22,396
Other	<u>10,400</u>	<u>36,299</u>
	<u>132,295</u>	<u>155,435</u>

# HOMALCO INDIAN BAND

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016

### 4. Restricted Cash

#### Trust Funds Held By Government

Trust fund accounts arise from moneys 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 Sections 63 to 69 of the Indian Act.

	March 31 <u>2015</u>	Additions <u>2016</u>	Withdrawals <u>2016</u>	March 31 <u>2016</u>
	\$	\$	\$	\$
Revenue	38,541	1,986	---	40,527
Capital	<u>3,452</u>	<u>---</u>	<u>---</u>	<u>3,452</u>
	41,993	1,986	---	43,979
Social Housing Fund Replacement Reserve	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
	<u>41,993</u>	<u>1,986</u>	<u>---</u>	<u>43,979</u>

### 5. Investments in Government Business Enterprises

	<u>2016</u>	<u>2015</u>
	\$	\$
Homalco Wildlife Tours Ltd.		
Shares (100%)	5	5
Accumulated net income	299,009	428,808
Homalco Holdings Inc.		
Shares (100%)	<u>1</u>	<u>1</u>
	<u>299,015</u>	<u>428,814</u>

Homalco Wildlife Tours Ltd. ("HWT") operates Wildlife Tours.

Homalco Holdings Inc. ("HH") is general partner of limited partnerships.

The following table presents condensed financial information for these commercial activities.

	<u>HWT</u>	<u>HH</u>
	\$	\$
Assets	373,611	90
Liabilities	<u>74,596</u>	<u>17,253</u>
Equity (Deficiency)	<u>299,015</u>	<u>(17,163)</u>
Total Revenues	503,038	5
Total Expenses	<u>632,837</u>	<u>9,583</u>
Net Income (Loss)	<u>(129,799)</u>	<u>(9,578)</u>

# HOMALCO INDIAN BAND

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016

### 6. Investments In Government Business Partnerships

	% Ownership	<u>2016</u>	<u>2015</u>
		\$	\$
Homalco Holdings Limited Partnership	99.9%	795,236	744,467
Homalco Resources Management Limited Partnership	50.0%	<u>61,018</u>	<u>61,024</u>
		<u>856,254</u>	<u>805,491</u>

Homalco Holdings Limited Partnership ("HHLP") holds interests in various limited partnerships.

Homalco Resources Management Limited Partnership ("HRMLP") is currently inactive.

The following table presents condensed financial information for these commercial activities.

	<u>2016</u>	
	<u>HHLP</u>	<u>HRMLP</u>
	\$	\$
Assets	795,325	279,400
Liabilities	<u>---</u>	<u>239,115</u>
Equity	<u>795,325</u>	<u>40,285</u>
 Total Revenues	 50,774	 ---
Total Expenses	<u>---</u>	<u>6</u>
Net Income (loss)	<u>50,774</u>	<u>(6)</u>

**HOMALCO INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016**

<b>7. Loans Receivable</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
	\$	\$
Homalco Trust; no specified terms of repayment or stated interest rate	532,515	541,847
Bute Inlet Development Corporation; no specified terms of repayment or stated interest rate	21,529	21,336
Homalco Forestry Limited Partnership; no specified terms of repayment or stated interest rate	124,997	374,590
Homathco Power Inc.; no specified terms of repayment or stated interest rate	1,848	1,848
Port Neville Logging Company Ltd.; no specified terms of repayment or stated interest rate	159,779	159,779
Homalco Holdings Inc.; no specified terms of repayment or stated interest rate	<u>10</u>	<u>---</u>
	<b><u>840,678</u></b>	<b><u>1,099,400</u></b>
<b>8. Bank Indebtedness</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
	\$	\$
TD Canada Trust		
Band - cheques issued in excess of deposits	215,298	128,887
Band - line of credit, interest at prime plus 1%, payable monthly	74,000	129,000
Orford - cheques issued in excess of deposits	3,750	17,114
- line of credit, interest at prime plus 1%, payable monthly	100,000	61,000
Treaty - cheques issued in excess of deposits	<u>6,916</u>	<u>---</u>
	<b><u>399,964</u></b>	<b><u>336,001</u></b>
<b>9. Accounts Payable</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
	\$	\$
Trade Payables	439,208	482,525
Government Remittances Payable	<u>6,845</u>	<u>---</u>
	<b><u>446,053</u></b>	<b><u>482,525</u></b>

**HOMALCO INDIAN BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016**

<b>10. Deferred Revenue</b>	<u><b>2016</b></u>	<u><b>2015</b></u>
	\$	
Rent	200	200
Vancouver Island Health Authority 2016/17 funding	<u>4,149</u>	<u>---</u>
	<u><b>4,349</b></u>	<u><b>200</b></u>
 <b>11. Long Term Debt</b>	 <u><b>2016</b></u>	 <u><b>2015</b></u>
	\$	\$
All Nations Trust Company;		
No. 1, repayable at \$5,957 per month including interest at 1.62%, guaranteed by Canada Mortgage and Housing Corporation	144,791	213,326
No. 2, repayable at \$2,466 per month including interest at 2.26%, guaranteed by Canada Mortgage and Housing Corporation	272,657	295,821
No. 3, repayable at \$2,577 per month including interest at 1.65%, guaranteed by Canada Mortgage and Housing Corporation	440,629	464,075
Aboriginal Affairs and Northern Development Canada; repayable as outlined in the First Nation Negotiation Support Agreement (Note 14)	7,587,528	7,225,848
Homalco Wildlife Tours Inc.; unsecured, no specified terms of repayment or stated interest rate	216,710	274,938
TD Canada Trust;		
Loan #1, repayable at \$20,667 per month plus interest at 3.85%, secured by assets of Band	124,000	372,000
Loan #2, repayable at \$2,115 plus interest at 3.35%, secured by assets of Band	294,016	319,399
Homalco Forestry Limited Partnership; unsecured, no specified terms of repayment or stated interest rate	<u>99,009</u>	<u>---</u>
	<u><b>9,179,340</b></u>	<u><b>9,165,407</b></u>

**HOMALCO INDIAN BAND**  
**NOTES TO THE SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016**

**12. Tangible Capital Assets**

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Disposals	Closing Balance	Total 2016	Total 2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
New Social Housing	1,380,439	---	---	1,380,439	279,091	46,611	---	325,702	1,054,737	1,101,348
Old Social Housing	3,227,940	---	---	3,227,940	2,419,545	68,534	---	2,488,079	739,861	808,395
Equipment	476,537	20,274	---	496,811	457,655	18,365	---	476,020	20,791	18,882
Buildings and Improvements	2,869,199	---	---	2,869,199	556,698	114,768	---	671,466	2,197,733	2,312,501
Boats	117,442	---	---	117,442	108,181	2,736	---	110,917	6,525	9,261
Infrastructure	5,348,376	---	---	5,348,376	3,113,645	213,935	---	3,327,580	2,020,796	2,234,731
General Housing	747,285	---	---	747,285	446,795	29,891	---	476,686	270,599	300,490
Salmon Hatchery	118,308	---	---	118,308	118,308	---	---	118,308	---	---
Land	237,862	---	---	237,862	---	---	---	---	237,862	237,862
Vehicles	93,596	14,900	---	108,496	50,356	15,207	---	65,563	42,933	43,240
	<u>14,616,984</u>	<u>35,174</u>	<u>---</u>	<u>14,652,158</u>	<u>7,550,274</u>	<u>510,047</u>	<u>---</u>	<u>8,060,321</u>	<u>6,591,837</u>	<u>7,066,710</u>

# HOMALCO INDIAN BAND

## NOTES TO SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016

13. Prepaid Expenses	<u>2016</u>	<u>2015</u>
	\$	\$
Social Assistance	---	40,258
Student Tuition and Allowances	13,750	15,650
Other	<u>4,790</u>	<u>4,790</u>
	<u>18,540</u>	<u>60,698</u>

### 14. British Columbia Treaty Commission Agreement

The Homalco Indian Band has signed an agreement with Canada and British Columbia, as contemplated by the British Columbia Treaty Commission Agreement. The Band has received loans pursuant to the Agreement with the British Columbia Treaty Commissioners which are repayable at the time final treaty terms are settled.

### 15. Contingent Liabilities

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

In addition, in the normal course of its operations, Homalco Indian Band 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 on Homalco Indian Band's financial statements.

The Homalco Indian Band is contingently liable for \$956,160 with respect to its guarantee of loans made by Canada Mortgage and Housing Corporation to Band members for homes built on reserve land.

### 16. Budgeted Figures

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Band Council.

# HOMALCO INDIAN BAND

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016

### 18. Segment Disclosure

The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the year are as follows:

	Education			Health			Economic Development		
	2016		2015	2016		2015	2016		2015
	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>									
Aboriginal Affairs and Northern Development Canada	511,567	494,987	555,114	---	---	---	23,031	23,031	23,517
Government of Canada	---	---	---	---	---	---	---	223,960	223,960
Province of British Columbia	---	---	---	---	---	---	---	---	---
Canada Mortgage And Housing Corporation	---	---	---	---	---	---	---	---	---
BC Treaty Commission	---	---	---	---	---	---	---	---	---
Rent	---	---	---	---	---	---	---	---	---
Interest	---	---	---	---	---	---	---	---	---
Other	42,790	42,790	45,790	371,339	414,789	375,161	---	31,804	42,005
Homalco Wildlife Tours - income	---	---	---	---	---	---	---	---	---
Homalco Forestry Limited Partnership - income (loss)	---	---	---	---	---	---	---	---	---
	<u>554,357</u>	<u>537,777</u>	<u>600,904</u>	<u>371,339</u>	<u>414,789</u>	<u>375,161</u>	<u>23,031</u>	<u>278,795</u>	<u>289,482</u>
<b>Expenditure</b>									
Administration	---	6,000	---	39,850	28,929	27,718	---	---	---
Amortization	---	---	---	---	---	---	---	---	---
Bad debt	---	---	---	---	---	---	---	---	---
Contract/consultant fees	399,921	296,240	399,921	---	30,397	27,315	23,031	58,831	23,517
Honorarium	---	---	---	---	---	---	---	---	---
Insurance	---	---	134	8,000	6,743	4,061	---	---	---
Interest and bank charges	---	---	---	---	---	---	---	4,011	4,403
Meetings	---	---	---	---	---	505	---	---	---
Office and supplies	269,258	258,174	319,876	54,925	51,960	53,486	---	201,300	152,787
Professional fees	---	---	---	---	---	---	---	10,000	72,470
Repairs and maintenance	---	3,719	---	5,000	---	13,730	---	---	---
Telephone	---	765	1,063	15,000	9,142	14,358	---	---	---
Travel	2,970	8,864	5,751	23,867	9,114	21,302	---	50,271	49,906
Utilities	---	---	---	10,090	28,304	329	---	---	---
Vehicle	---	---	---	---	---	---	---	---	---
Wages	41,300	26,259	15,771	218,334	186,616	206,573	---	161,368	134,354
Workshops	5,092	5,092	6,001	---	---	---	---	---	---
	<u>718,541</u>	<u>605,113</u>	<u>748,517</u>	<u>375,066</u>	<u>351,205</u>	<u>369,377</u>	<u>23,031</u>	<u>485,781</u>	<u>437,437</u>
<b>Annual Surplus (Deficit)</b>	<u>(164,184)</u>	<u>(67,336)</u>	<u>(147,613)</u>	<u>(3,727)</u>	<u>63,584</u>	<u>5,784</u>	<u>---</u>	<u>(206,986)</u>	<u>(147,955)</u>

# HOMALCO INDIAN BAND

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016

### 18. Segment Disclosure (continued)

	Housing			Community Services			Social Services		
	2016		2015	2016		2015	2016		2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue									
Aboriginal Affairs and Northern Development Canada	---	---	156,379	48,381	48,381	31,650	624,344	618,049	820,303
Government of Canada	---	---	---	---	---	---	---	---	---
Province of British Columbia	---	---	---	---	---	---	---	---	---
Canada Mortgage And Housing Corporation	59,161	59,161	59,161	---	---	---	---	---	---
BC Treaty Commission	---	---	---	---	---	---	---	---	---
Rent	307,596	339,638	288,771	---	---	---	---	---	---
Interest	200	409	358	---	---	---	---	---	---
Other	---	---	---	62,500	62,500	18,750	---	---	---
Homalco Wildlife Tours - income	---	---	---	---	---	---	---	---	---
Homalco Forestry Limited Partnership - income (loss)	---	---	---	---	---	---	---	---	---
	<u>366,957</u>	<u>399,208</u>	<u>504,669</u>	<u>110,881</u>	<u>110,881</u>	<u>50,400</u>	<u>624,344</u>	<u>618,049</u>	<u>820,303</u>
Expenditure									
Administration	24,700	17,375	44,700	---	---	---	6,000	6,894	---
Amortization	116,000	115,144	113,186	---	---	---	---	---	---
Bad debt	---	---	---	---	---	---	---	---	---
Contract/consultant fees	---	4,750	156,379	78,881	81,016	50,400	25,000	27,473	21,289
Honorarium	---	---	---	---	---	---	---	---	---
Insurance	18,750	23,401	18,441	---	---	---	---	---	---
Interest and bank charges	27,000	26,858	30,317	---	---	---	---	---	---
Meetings	---	---	---	---	---	---	---	---	---
Office and supplies	---	138	15,070	5,000	3,245	---	537,047	616,831	555,463
Professional fees	5,100	5,225	5,650	---	---	---	---	---	---
Repairs and maintenance	117,000	97,951	19,046	---	---	---	---	---	---
Telephone	---	---	---	---	---	---	---	---	---
Travel	---	397	---	2,500	5,158	---	---	2,332	1,892
Utilities	16,200	18,040	789	---	---	---	---	---	---
Vehicle	---	---	---	---	---	---	---	---	---
Wages	---	---	---	25,000	21,462	---	49,143	44,228	60,452
Workshops	---	---	---	---	---	---	---	---	---
	<u>324,750</u>	<u>309,279</u>	<u>403,578</u>	<u>111,381</u>	<u>110,881</u>	<u>50,400</u>	<u>617,190</u>	<u>697,758</u>	<u>639,096</u>
Annual Surplus (Deficit)	<u>42,207</u>	<u>89,929</u>	<u>101,091</u>	<u>(500)</u>	<u>---</u>	<u>---</u>	<u>7,154</u>	<u>(79,709)</u>	<u>181,207</u>

# HOMALCO INDIAN BAND

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016

### 18. Segment Disclosure (continued)

	Band Government			Employment Programs			Public Works		
	2016	2015		2016	2015		2016	2015	
	Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>									
Aboriginal Affairs and Northern Development Canada	261,161	333,253	240,942	---	---	---	126,472	127,222	154,469
Government of Canada	---	---	---	---	---	---	---	---	---
Province of British Columbia	200,000	200,248	184,669	---	---	---	---	---	---
Canada Mortgage And Housing Corporation	---	---	---	---	---	---	---	---	---
BC Treaty Commission	140,420	140,420	171,720	---	---	---	---	---	---
Rent	---	---	---	---	---	---	---	---	---
Interest	---	2,652	6,912	---	---	---	---	---	---
Other	166,923	195,396	183,203	249,691	249,691	60,416	---	---	88,582
Homalco Wildlife Tours - income (loss)	---	(129,799)	319,474	---	---	---	---	---	---
Homalco Forestry Limited Partnership - income	---	50,769	60,211	---	---	---	---	---	---
Transfer from (to) other programs:	---	---	(176,342)	---	---	---	---	---	176,342
	<u>768,504</u>	<u>792,939</u>	<u>990,789</u>	<u>249,691</u>	<u>249,691</u>	<u>60,416</u>	<u>126,472</u>	<u>127,222</u>	<u>419,393</u>
<b>Expenditure</b>									
Administration	---	395	1,615	---	---	---	---	---	---
Amortization	---	394,903	408,129	---	---	---	---	---	---
Bad debt	---	51,931	90,373	---	---	---	---	---	---
Contract/consultant fees	184,000	175,036	376,912	---	---	52,500	79,660	80,966	152,433
Honorarium	126,000	26,000	59,900	---	---	---	---	---	---
Insurance	35,000	14,651	14,193	---	---	---	---	---	---
Interest and bank charges	---	---	---	---	---	---	---	---	---
Meetings	---	---	---	---	---	---	---	---	---
Office and supplies	205,748	169,370	110,683	220,000	220,559	5,000	---	---	7,040
Professional fees	227,500	216,660	222,134	---	---	---	1,500	1,470	1,490
Repairs and maintenance	7,500	13,029	8,882	---	---	---	---	---	67
Telephone	31,000	50,943	31,975	---	---	---	---	---	---
Travel	15,000	49,646	56,901	---	---	---	5,000	3,600	4,800
Utilities	6,000	6,000	---	---	---	---	33,853	12,706	1,732
Vehicle	---	---	5,605	---	---	---	---	---	---
Wages	424,077	370,066	371,568	29,691	29,132	2,916	---	---	---
Workshops	10,500	5,189	---	---	---	---	---	---	---
	<u>1,272,325</u>	<u>1,543,819</u>	<u>1,758,870</u>	<u>249,691</u>	<u>249,691</u>	<u>60,416</u>	<u>120,013</u>	<u>98,742</u>	<u>167,562</u>
<b>Annual Surplus (Deficit)</b>	<u>(503,821)</u>	<u>(750,880)</u>	<u>(768,081)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>6,459</u>	<u>28,480</u>	<u>251,831</u>

# HOMALCO INDIAN BAND

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS - MARCH 31, 2016

### 18. Segment Disclosure (continued)

	Total		
	2016		2015
	Budget	Actual	Actual
	\$	\$	\$
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	1,594,956	1,644,923	1,982,374
Government of Canada	---	223,960	223,960
Province of British Columbia	200,000	200,248	184,669
Canada Mortgage And Housing Corporation	59,161	59,161	59,161
BC Treaty Commission	140,420	140,420	171,720
Rent	307,596	339,638	288,771
Interest	200	3,061	7,270
Other	893,243	996,970	813,907
Homalco Wildlife Tours - income	---	(129,799)	319,474
Homalco Forestry Limited Partnership - income (loss)	---	50,769	60,211
Transfer from (to) other programs:	---	---	---
	<u>3,195,576</u>	<u>3,529,351</u>	<u>4,111,517</u>
<b>Expenditure</b>			
Administration	70,550	59,593	74,033
Amortization	116,000	510,047	521,315
Bad debt	---	51,931	90,373
Contract/consultant fees	790,493	754,709	1,260,666
Honorarium	126,000	26,000	59,900
Insurance	61,750	44,795	36,829
Interest and bank charges	27,000	30,869	34,720
Meetings	---	---	505
Office and supplies	1,291,978	1,521,577	1,219,405
Professional fees	234,100	233,355	301,744
Repairs and maintenance	129,500	123,841	41,725
Telephone	46,000	60,822	47,396
Travel	49,337	148,572	140,552
Utilities	66,143	36,746	2,850
Vehicle	---	---	5,605
Wages	787,545	839,131	791,634
Workshops	15,592	10,281	6,001
	<u>3,811,988</u>	<u>4,452,269</u>	<u>4,635,253</u>
<b>Annual Surplus (Deficit)</b>	<u>(616,412)</u>	<u>(922,918)</u>	<u>(523,736)</u>