

DOUGLAS INDIAN BAND

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

DOUGLAS INDIAN BAND

CONSOLIDATED FINANCIAL STATEMENTS **MARCH 31, 2016**

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FINANCIAL STATEMENTS

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DOUGLAS INDIAN BAND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING MARCH 31, 2016

The accompanying consolidated financial statements of **Douglas Indian Band** are the responsibility of management and have been approved by Chief and Council.

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

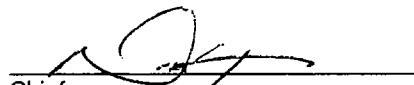
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

The Chief and Council meets periodically with management, 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 auditor's report.

The external auditors, Reid Hurst Nagy Inc., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of **Douglas Indian Band** and meet when required.

On behalf of **Douglas Indian Band**:


Chief

Sept. 9/2016
Date


Councilor

Sept. 9 2016
Date


Councilor

Sep 9th /2016
Date

INDEPENDENT AUDITOR'S REPORT

To the Members of **Douglas Indian Band**

We have audited the accompanying consolidated financial statements of **Douglas Indian Band**, which comprise the consolidated statement of financial position as at **March 31, 2016**, and the consolidated statements of remeasurement of gain and losses, change in net financial assets, revenue and expenses, accumulated surplus and 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 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 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 Band's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band'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 qualified audit opinion.

Basis for Qualified Opinion

The Band has not accounted for some of the funded tangible capital assets including roads and bridges, buildings, water and other utility systems that were required to be capitalized in prior years. In this respect, the financial statements are not in accordance with Canadian public sector accounting standards. We were not able to determine the adjustments that might have been necessary to tangible capital assets, amortization and the tangible capital assets fund balance.

The financial information for government business enterprises are not available and have not been accounted for in the consolidated financial statements. In this respect, the financial statements are not in accordance with Canadian public sector accounting standards. We were not able to determine the adjustments that might have been necessary to investment in government business enterprises, income (loss) from the government business enterprises and the enterprises fund balance.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the **Douglas Indian Band** as at **March 31, 2016** and the results of its operations, the change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



CHARTERED PROFESSIONAL ACCOUNTANTS

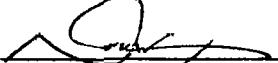
Vancouver, B.C.
September 10, 2016

DOUGLAS INDIAN BAND

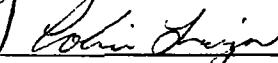
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2016

| | 2016 | 2015 |
|---|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Accounts receivable (Note 4) | \$ 2,158,891 | \$ 1,318,214 |
| Loans receivable (Note 5) | 357,274 | 370,974 |
| Due from government business enterprises (Note 6) | 973,965 | 755,119 |
| Portfolio investments (Note 7) | 3,738,091 | 3,789,425 |
| Investment in government business enterprises (Note 8) | 72,749 | 72,749 |
| | <u>7,300,970</u> | <u>6,306,481</u> |
| Trust funds held by Federal Government (Note 9) | 54,541 | 52,753 |
| Trust funds held by St'at'imc (PC) 2011 Trust (Note 10) | 994,097 | 869,930 |
| | <u>1,048,638</u> | <u>922,683</u> |
| LIABILITIES | | |
| Bank indebtedness (Note 3) | 501,723 | 20,468 |
| Demand loans (Note 11) | 1,034,187 | 1,093,518 |
| Accounts payable and accrued liabilities (Note 12) | 2,070,965 | 1,109,453 |
| Deferred revenue (Note 13) | 216,358 | 151,491 |
| Due to government business enterprise (Note 14) | 153,475 | 133,327 |
| Long-term debt (Note 15) | 1,796,001 | 1,100,385 |
| Loans payable (Note 16) | 288,864 | 288,864 |
| | <u>6,061,573</u> | <u>3,897,506</u> |
| NET FINANCIAL ASSETS | 2,288,035 | 3,331,658 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Note 17) | 5,639,025 | 2,860,524 |
| Prepaid expenses | 13,892 | 25,624 |
| Inventory | - | 42,227 |
| | <u>5,652,917</u> | <u>2,928,375</u> |
| ACCUMULATED SURPLUS | \$ 7,940,952 | \$ 6,260,033 |
| ACCUMULATED SURPLUS CONSISTS OF: | | |
| Accumulated surplus before remeasurement gains | \$ 7,894,125 | \$ 6,005,649 |
| Accumulated remeasurement gains, end of year | 46,827 | 254,384 |
| ACCUMULATED SURPLUS | \$ 7,940,952 | \$ 6,260,033 |

APPROVED ON BEHALF OF THE DOUGLAS INDIAN BAND

, Chief

, Councilor

, Councilor

The accompanying notes are an integral part of the financial statements

DOUGLAS INDIAN BAND

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES FOR THE YEAR ENDED MARCH 31, 2016

| | 2016 | 2015 |
|---|-------------------|-------------------|
| ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF YEAR | \$ 254,384 | \$ 487,601 |
| Unrealized gains attributable to: | | |
| Portfolio Investments | - | 116,166 |
| Trust funds held by St'at'imc (PC) 2011 Trust | - | 26,728 |
| Amounts reclassified to the statement of operations: | | |
| Portfolio Investments | (153,605) | (376,111) |
| Trust funds held by St'at'imc (PC) 2011 Trust | (53,952) | - |
| NET REMEASUREMENT LOSSES | (207,557) | (233,217) |
| ACCUMULATED REMEASUREMENT GAINS, END OF YEAR | \$ 46,827 | \$ 254,384 |

The accompanying notes are an integral part of the financial statements

DOUGLAS INDIAN BAND

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED MARCH 31, 2016

| | 2016 | 2015 |
|--|---------------------|---------------------|
| ANNUAL SURPLUS | \$ 1,680,919 | \$ 425,837 |
| Acquisition of tangible capital assets | (2,968,957) | (1,157,412) |
| Amortization of tangible capital assets | 128,806 | 107,236 |
| Tangible capital assets transferred to GBE | - | 249,614 |
| Disposal of tangible capital asset | 61,650 | - |
| | <hr/> (2,778,501) | <hr/> (800,562) |
| Acquisition of prepaid assets | (13,892) | (25,624) |
| Use of prepaid assets | 25,624 | 19,651 |
| | <hr/> 11,732 | <hr/> (5,973) |
| Acquisition of inventory | - | (42,227) |
| Use of inventory | - | 34,046 |
| Inventory transferred to GBE | 42,227 | - |
| | <hr/> 42,227 | <hr/> (8,181) |
| DECREASE IN NET FINANCIAL ASSETS | (1,043,623) | (388,879) |
| NET FINANCIAL ASSETS, BEGINNING OF YEAR | 3,331,658 | 3,720,537 |
| NET FINANCIAL ASSETS, END OF YEAR | \$ 2,288,035 | \$ 3,331,658 |

The accompanying notes are an integral part of the financial statements

DOUGLAS INDIAN BAND

CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|--------------------|---------------------|-------------------|
| REVENUE | | | |
| INAC | \$ 486,693 | \$ 627,603 | \$ 648,533 |
| INAC Reimbursement (Recovery) | - | (29,248) | (19,544) |
| All Nations Trust | 786,336 | 749,682 | 360,306 |
| Canada Mortgage and Housing Corporation | 18,910 | 65,882 | 49,624 |
| Health Canada | 9,278 | 8,284 | 9,638 |
| Fisheries and Oceans Canada | 77,000 | - | 71,250 |
| Ottawa Trust Interest income | - | 1,788 | 1,902 |
| Province of BC | 83,027 | 77,715 | 83,028 |
| Net income (loss) from GBE | - | 30,970 | (277,971) |
| Funding from First Nation Organizations | 173,317 | 1,793,184 | 381,103 |
| Investment income | - | 131,849 | 547,973 |
| Other | 360,866 | 1,546,210 | 1,783,918 |
| Deferred revenue, beginning of year | - | 25,491 | 57,805 |
| Deferred revenue, end of year | - | (90,358) | (25,491) |
| | 1,995,427 | 4,939,052 | 3,672,074 |
| EXPENSES | | | |
| Band Government | 1,224,925 | 1,283,913 | 1,644,455 |
| Community Infrastructure | 192,861 | 1,492,267 | 419,073 |
| Health | 53,943 | 67,729 | 47,686 |
| Education | 128,517 | 87,885 | 97,394 |
| Social Development | 104,759 | 100,673 | 100,297 |
| Economic Development | 604,911 | 797,446 | 832,304 |
| Housing | 1,111,564 | 1,259,161 | 554,846 |
| Housing Reserves | - | 30,473 | 192 |
| St'at'imc (PC) 2011 Trust Fund | - | 143,171 | 130,376 |
| Internally Restricted Capital Bylaw Fund | - | 28,169 | 23,186 |
| | 3,421,480 | 5,290,887 | 3,849,809 |
| ANNUAL DEFICIT BEFORE OTHER | (1,426,053) | (351,835) | (177,735) |
| OTHER | | | |
| Principal repayment of long-term debt | - | 52,686 | 39,682 |
| Acquisition of tangible capital assets | - | 2,968,957 | 1,157,412 |
| Proceeds from long-term debt | - | (749,682) | (360,306) |
| Unrealized gain (loss) | - | (207,557) | (233,216) |
| Loss on disposition of tangible capital assets | - | (31,650) | - |
| | - | 2,032,754 | 603,572 |
| ANNUAL SURPLUS | \$ - | \$ 1,680,919 | \$ 425,837 |

The accompanying notes are an integral part of the financial statements

DOUGLAS INDIAN BAND

CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31, 2016

| | 2016 | 2015 |
|---|---------------------|---------------------|
| ACCUMULATED SURPLUS, BEGINNING OF YEAR | \$ 6,260,033 | \$ 5,834,196 |
| ANNUAL SURPLUS | 1,680,919 | 425,837 |
| ACCUMULATED SURPLUS, END OF YEAR | \$ 7,940,952 | \$ 6,260,033 |

DOUGLAS INDIAN BAND

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2016

| | 2016 | 2015 |
|--|---------------------|--------------------|
| OPERATING ACTIVITIES | | |
| Annual surplus | \$ 1,680,919 | \$ 425,837 |
| Items not affecting cash: | | |
| Income from government business enterprises | - | 277,971 |
| Amortization | 128,806 | 107,236 |
| Contributed tangible capital assets | (403,755) | - |
| Loss on disposition of tangible capital assets | 31,650 | - |
| | 1,437,620 | 811,044 |
| Change in non-cash items on statement of financial position: | | |
| Accounts receivable | (840,677) | (129,314) |
| Loans receivable | 13,700 | 22,586 |
| Inventory | 42,227 | (8,179) |
| Prepaid expenses | 11,733 | (5,972) |
| Accounts payable and accrued liabilities | 961,513 | 109,058 |
| Deferred revenue | 64,867 | (32,314) |
| Trust funds held by Federal Government | (1,788) | (1,902) |
| Trust funds held by St'at'imc (PC) 2011 Trust | (124,167) | (198,325) |
| Portfolio investments | 51,333 | (263,681) |
| | 1,616,361 | 303,001 |
| CAPITAL ACTIVITIES | | |
| Acquisition of tangible capital assets | (2,565,202) | (1,157,412) |
| Investment in portfolio investments | - | (281,400) |
| Proceed from disposition of tangible capital assets | 30,000 | 249,614 |
| | (2,535,202) | (1,189,198) |
| FINANCING ACTIVITIES | | |
| Principal repayment on long-term debt | (52,686) | (39,682) |
| Principal repayment on capital lease obligation | - | (137,682) |
| Proceed from long-term debt | 748,301 | 361,029 |
| Proceed on demand loan | - | 1,150,000 |
| Principal repayment on demand loan | (59,331) | (56,482) |
| Principal repayment on loans from Capital Fund | - | (11,136) |
| Advances to (from) government business enterprises | (198,698) | (494,974) |
| | 437,586 | 771,073 |
| DECREASE IN CASH AND CASH EQUIVALENTS | (481,255) | (115,124) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | (20,468) | 94,656 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ (501,723) | \$ (20,468) |

The accompanying notes are an integral part of the financial statements

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS **MARCH 31, 2016**

1. NATURE OF OPERATIONS

The Douglas Indian Band (the "Band") is an Indian Band as defined by the Indian Act. The Band manages various programs offered by Indigenous and Northern Affairs Canada (INAC) and other funding agents to benefit its members.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of CPA Canada.

(a) Reporting Entity

The Douglas Indian Band reporting entity includes the Douglas Indian Band government and all related entities that are controlled by the Band.

(b) Principles of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of entities which are controlled by the Band. Controlled entities are consolidated, except for government business enterprises and government business partnerships, which are accounted for by the modified equity method. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation.

The Band records its investments in government business enterprises (GBE) and government business partnerships (GBP) on a modified equity basis. Under the modified equity basis, the GBE's and GBP's accounting policies are not adjusted to conform with those of the Band and inter-entity transactions and balances are not eliminated. The Band recognizes its equity interest in the annual earnings or losses of the GBE's and GBP's in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends or other cash distributions that the Band may receive from the GBE's and GBP's will be reflected as deductions in the investment asset account.

Organizations accounted for on a modified equity basis include:

1. TTQ Economic Development Corporation - 100% interest
2. Takem Ti Qwelsa7 Eco-Resource Corporation - 100% interest
3. 1020376 B.C. Ltd - 33.33% interest

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Cash and Cash Equivalents

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

(d) Trust Funds

Trust funds held by Federal Government:

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

Trust funds held by St'at'imc (PC) 2011 Trust:

The trust funds arise from monies derived from the St'at'imc (PC) Settlement Agreement with the Province of BC and BC Hydro dated May 10, 2011 to settle past, present and future impacts, grievances and claims of the St'at'imc Communities relating to the hydro development and their continued operations in the territory. The trust funds are held in two categories:

- i) The Available Legacy Fund reports the portion of the Legacy Fund that is available for distribution after the allocation to the Minimum Protected Amount. Distribution is restricted in accordance to Legacy Fund Uses set forth in Schedule B of the Trust Indenture.
- ii) The Minimum Protected Amount reports the portion of the Legacy Fund that is required to be set aside in accordance to Part 4.2 of the Trust Indenture. The aggregate fund balance is not available for distribution prior to the Final Distribution Date. The accumulated fund balance is required to be invested in accordance with the Statement of Investment Policies and Guidelines for the Trust.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital assets and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the Band's incremental cost of borrowing.

Amortization is provided on the following basis over the estimated useful life of the tangible capital assets as follows:

| | |
|-------------------------|------------------------|
| C.M.H.C. Social Housing | 20 years Straight line |
| Office equipment | 5 years Straight line |
| Machinery and equipment | 5 years Straight line |
| Trailer | 5 years Straight line |
| Truck | 5 years Straight line |
| Telephone poles | 20 years Straight line |
| Incinerator | 5 years Straight line |
| Gas Bar | 15 years Straight line |

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

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying 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.

Amortization on the Social Housing Fund assets acquired under the housing programs sponsored by Canada Mortgage and Housing Corporation (CMHC) is recorded at a rate equivalent to the annual principal reduction in related long-term debt.

No amortization will be taken for construction in progress until the project is completed and the tangible capital asset is in service.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue Recognition

Government Funding:

The Band recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as such. In these circumstances, the Band recognizes revenue when the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Trust Funds:

The Band recognizes revenues of Trust Fund at the time funds are contributed from the accounts held by the trust. Investment and interest revenue is recognized when earned.

Housing Rental Income:

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Own Source Revenue:

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

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 being provided is deferred and recognized when the fee is earned or service provided.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments

Financial instruments are initially classified upon initial recognition as a fair value or an amortized cost instrument. The fair value category includes investments in equity instruments that are quoted in an active market, and any other items elected by the Band to be recorded at fair value. All other financial instruments, including financial instruments with related parties for which fair value cannot be estimated, are recorded at amortized cost. Transaction costs directly attributable to the acquisition or issue of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at amortized cost.

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, calculated as the excess of the net recoverable amount of the asset and its carrying value, is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

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

The Band's financial instruments consist of cash and cash equivalents, accounts receivable, loans receivable, inventory, due from and to government business enterprises, portfolio investments, bank indebtedness, demand loans, long-term debt, deferred revenue, loans payable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Band is not exposed to significant interest, credit or currency risks arising from these financial instruments and the fair value of these financial instruments approximates their carry values.

(h) Measurement Uncertainty

In preparing the consolidated financial statements for the Band, management is required 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 revenue and expenses during the period. Items requiring the use of significant estimates include allowance for doubtful accounts, accruals and amortization. Actual results could differ from these estimates.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Segments

The Band conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the Band's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents is comprised of the following:

| | 2016 | 2015 |
|--|---------------------|--------------------|
| Externally restricted: | | |
| Replacement Reserve | \$ 116,285 | \$ 91,871 |
| Operating Reserve | 51,449 | 106,316 |
| | <hr/> 167,734 | <hr/> 198,187 |
| Internally restricted: | | |
| Education | 1,850 | 1,850 |
| Unrestricted: | | |
| Cash and banks after outstanding cheques | (671,307) | (220,505) |
| Total Cash and Cash Equivalents | \$ (501,723) | \$ (20,468) |

Under the terms of an agreement with Canada Mortgage and Housing Corporation, The Band must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Operating and Replacement reserve.

Externally restricted - Operating Reserve:

At the year end, the reserve was over funded by \$30,314 (2015: over funded by \$90,146).

Externally restricted - Replacement Reserve:

At year end, the reserve was over funded by \$28,091 (2015: under funded by \$12,263).

Internally restricted - Education:

The balance represents cash in the bank restricted for education purposes as per a Band Council Resolution.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

4. ACCOUNTS RECEIVABLE

| | 2016 | 2015 |
|--|---------------------------|---------------------------|
| Due from Government Organizations: | | |
| Fisheries and Oceans Canada | \$ 154,000 | \$ 161,700 |
| GST Public Service Bodies Rebate | 8,019 | 19,476 |
| Canada Mortgage and Housing Corporation | 7,078 | 4,696 |
| Province of BC | - | 1,780 |
| | <hr/> 169,097 | <hr/> 187,652 |
| Due from members: | | |
| Rent receivable | 245,468 | 222,913 |
| Due from others: | | |
| Others | 836,903 | 320,871 |
| Temporary operating advance due from operating fund - | | |
| Internally Restricted Capital Bylaw Fund | 1,140,479 | 803,764 |
| Interest receivable due from Operating Fund - Internally | | |
| Restricted Capital Bylaw Fund | 12,412 | 5,927 |
| | <hr/> 1,989,794 | <hr/> 1,130,562 |
| Allowance for doubtful accounts | 2,404,359 (245,468) | 1,541,127 (222,913) |
| | <hr/> \$ 2,158,891 | <hr/> \$ 1,318,214 |

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

5. LOANS RECEIVABLE

| | 2016 | 2015 |
|--|-------------------------|-------------------------|
| Unrestricted: | | |
| Homeowner repayment - Lot 7: | | |
| The loan receivable is interest free with a monthly installment of \$450 commencing December 2013 until it is paid in full. | \$ 58,685 | \$ 59,885 |
| St'at'imc Government Services: | | |
| The loan receivable bearing interest at 2% per annum with no fixed terms of repayment commencing September 15, 2012. | 9,725 | 22,225 |
| Internally Restricted: | | |
| Infrastructure Fund: | | |
| The loan receivable bearing interest at prime rate less 2% per annum with no fixed terms of repayment commencing April 2013. | 95,291 | 95,291 |
| Capital Fund: | | |
| The loan receivable bearing interest at prime rate per annum with no fixed terms of repayment commencing April 2013. | 97,033 | 97,033 |
| Education Fund: | | |
| The loan receivable bearing interest at prime rate plus 0.5% per annum with no fixed terms of repayment commencing April 2013. | 96,540 | 96,540 |
| | <hr/> \$ 357,274 | <hr/> \$ 370,974 |

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

6. DUE FROM GOVERNMENT BUSINESS ENTERPRISES

| | 2016 | 2015 |
|--------------------------------------|-------------------|-------------------|
| TTQ Economic Development Corporation | \$ 835,341 | \$ 754,619 |
| 1020376 B.C. Ltd. | 500 | 500 |
| Xa'xtsa Gas Bar | 138,124 | - |
| | \$ 973,965 | \$ 755,119 |

Advances due from government business enterprises are unsecured, non-interest bearing with no specific terms of repayment.

During the year, the Band charged TTQ Economic Development Corporation \$45,090 of administration recovery for services performed.

In 2015, the Band paid \$86,732 to TTQ Economic Development Corporation for services performed.

During the year, the Band transferred gas bar inventory of \$42,227 to X'a'xtsa Gas Station.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

7. PORTFOLIO INVESTMENTS

The Band through the bylaw process established three internally restricted capital funds to ensure that the principal portions of qualifying Own Source Revenues (OSR) are held in perpetuity for future generations of Band members and that such funds be allocated in accordance with the bylaw as follows:

- 35% into the Band's Infrastructure Fund;
- 30% into the Band's Capital Fund; and
- 35% into the Band's Education Fund.

The provisions of the bylaw include restrictions or limits on amounts to be withdrawn from the said funds, the rates of interest for approved term fund withdrawals, as well as fund investment criteria.

The primary purpose of the bylaw is to ensure the preservation of the said capital funds.

| | Infrastructure Fund | Capital Fund | Education Fund | 2016 Total | 2015 Total |
|------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|
| Investment at cost | \$ 1,326,279 | \$ 1,120,740 | \$ 1,326,036 | \$ 3,773,055 | \$ 3,669,314 |
| Accrued income | 871 | 736 | 869 | 2,476 | 3,945 |
| Unrealized gain/(loss) | (13,239) | (11,026) | (13,175) | (37,440) | 116,166 |
| Market value | \$ 1,313,911 | \$ 1,110,450 | \$ 1,313,730 | \$ 3,738,091 | \$ 3,789,425 |

The portfolio investments consist of cash, money market fund, fixed income securities, Canadian, United States, and other Non North American equities.

8. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The Band's investment in government business enterprises consists of the following:

| | 2016 | 2015 |
|--|------------------|------------------|
| TTQ Economic Development Corporation (TTQ) | \$ (41,798) | \$ (41,798) |
| Takem Ti Qwelsa7 Eco-Resource Corporation (Takem Ti) | 114,547 | 114,547 |
| | \$ 72,749 | \$ 72,749 |

The financial information for TTQ and Takem Ti are not available at the date of this report.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

9. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

| | 2016 Revenue | 2016 Capital | 2016 Total | 2015 Total |
|-----------------------------|------------------|-----------------|------------------|------------------|
| Balance, beginning of year | \$ 44,420 | \$ 8,333 | \$ 52,753 | \$ 50,851 |
| Interest earnings | 1,788 | - | 1,788 | 1,902 |
| Balance, end of year | \$ 46,208 | \$ 8,333 | \$ 54,541 | \$ 52,753 |

10. TRUST FUNDS HELD BY ST'AT'IMC (PC) 2011 TRUST

| | Available Legacy Fund | Minimum Protected Amount | 2016 Total | 2015 Total |
|-------------------------------|--------------------------|--------------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 10,351 | \$ 859,579 | \$ 869,930 | \$ 560,114 |
| Annual payments plus earnings | 132,897 | 175,893 | 308,790 | 291,723 |
| Loan repayment | 12,500 | - | 12,500 | 10,250 |
| Withdrawal | (143,171) | - | (143,171) | (130,376) |
| Unrealized gain/(loss) | - | (53,952) | (53,952) | 138,219 |
| Market value | \$ 12,577 | \$ 981,520 | \$ 994,097 | \$ 869,930 |

The Trust holds the Available Legacy Fund primarily in cash and term deposits earning varying amounts of interest.

The Trust invests the Minimum Protected Amount in cash equivalents with more than three months maturity, fixed income securities and publicly traded equity securities.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

11. DEMAND LOANS

| | 2016 | 2015 |
|--|---------------------|---------------------|
| Bank of Montreal: The non-revolving demand loan is due on demand and bears interest at prime plus 0.75% with a monthly payment of \$1,779 including interest. The loan will be due in May 2034. | \$ 277,806 | \$ 289,206 |
| Bank of Montreal: The non-revolving demand loan is due on demand and bears interest at prime plus 0.75% with a monthly payment of \$4,447 including interest. The loan will be due in May 2034. | 694,513 | 723,016 |
| Bank of Montreal: The non-revolving demand loan is due on demand and bears interest at prime plus 0.75% with a monthly payment of \$1,830 including interest. The loan will be due in May 2019. | 61,868 | 81,296 |
| | \$ 1,034,187 | \$ 1,093,518 |

Principal portion of demand loans due within the next five years and thereafter:

| | |
|------------|---------------------|
| 2017 | \$ 61,963 |
| 2018 | 64,135 |
| 2019 | 65,667 |
| 2020 | 46,369 |
| 2021 | 47,994 |
| Thereafter | 748,059 |
| | \$ 1,034,187 |

| | 2016 | 2015 |
|--|-----------|-----------|
| Interest expense for the year on demand loans: | \$ 37,340 | \$ 42,199 |

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Accounts payable and accrued liabilities | \$ 852,232 | \$ 272,625 |
| Wages payable | 8,159 | - |
| Government remittances | 15,945 | 11,591 |
| Vacation and overtime payable | 14,163 | 10,303 |
| Pension payable | 7,519 | 5,243 |
| INAC recovery payable | 20,056 | - |
| Interest payable to Internally Restricted Capital Bylaw Fund | 12,412 | 5,927 |
| Temporary operating advance due to Internally Restricted Capital Bylaw Fund from Operating Fund | 1,140,479 | 803,764 |
| | \$ 2,070,965 | \$ 1,109,453 |

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

The Band provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5% of their salary and the Band is required to match their contribution of 5%. The amount of the retirement benefit to be received by the employees will be the amount of the retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year, the Band contributed \$25,705 (2015: \$13,448) for retirement benefits. The Band does not have any other obligations with regards to the pension plan as at March 31, 2016.

13. DEFERRED REVENUE

| | 2016 | 2015 |
|-------------------------|-------------------|-------------------|
| INAC Set contribution | \$ 13,872 | \$ 6,880 |
| INAC Fixed Contribution | 76,486 | 18,611 |
| Province of BC | 126,000 | 126,000 |
| | \$ 216,358 | \$ 151,491 |

14. DUE TO GOVERNMENT BUSINESS ENTERPRISE

| | 2016 | 2015 |
|---|------------|------------|
| Takem Ti Qwelsa7 Eco-Resource Corporation | \$ 153,475 | \$ 133,327 |

Advances due to the government business enterprise are unsecured, non-interest bearing with no specific terms of repayment.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

15. LONG-TERM DEBT

| | 2016 | 2015 |
|---|---------------------|---------------------|
| All Nations Trust Company - Phase 001: The mortgage is repayable in monthly installments of \$2,209, including interest at 1.30% per annum. The mortgage matures on September 1, 2025 with the next renewal date on December 1, 2020 and is guaranteed by INAC. | \$ 236,857 | \$ 258,981 |
| All Nations Trust Company - Phase 003: The mortgage is repayable in monthly installments of \$3,628, including interest at 1.95% per annum. The mortgage matures on June 1, 2039 with the next renewal date on June 1, 2019 and is guaranteed by INAC. | 814,006 | 841,404 |
| All Nations Trust Company - Phase 004: The mortgage is repayable in monthly installments of \$3,023, including interest at 1.17% per annum. The mortgage matures on June 1, 2039 with the next renewal date on January 1, 2021 and is guaranteed by INAC. | 745,138 | - |
| | \$ 1,796,001 | \$ 1,100,385 |

Principal portion of long-term debt due within the next five years and thereafter:

| | |
|------------|---------------------|
| 2017 | \$ 79,074 |
| 2018 | 80,371 |
| 2019 | 81,573 |
| 2020 | 82,794 |
| 2021 | 84,035 |
| Thereafter | 1,388,154 |
| | \$ 1,796,001 |

| | 2016 | 2015 |
|---|-----------|-----------|
| Interest expense for the year on long-term debt | \$ 23,671 | \$ 22,449 |

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

16. LOANS PAYABLE

The loans payable represent amounts due from Operating Fund to Internally Restricted Capital Bylaw Fund as follows:

| | 2016 | 2015 |
|---|-------------------------|-------------------------|
| Infrastructure fund: | | |
| The loan bears interest at prime minus 2.00% per annum with no fixed terms of repayment. | \$ 96,540 | \$ 96,540 |
| Capital fund: | | |
| The loan bears interest at prime per annum with no fixed terms of repayment. | 97,033 | 97,033 |
| Education fund: | | |
| The loan bearing interest at prime plus 0.50% per annum with no fixed terms of repayment. | 95,291 | 95,291 |
| | <hr/> \$ 288,864 | <hr/> \$ 288,864 |

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

17. TANGIBLE CAPITAL ASSETS

| | Cost | | | Accumulated amortization | | | | | |
|--------------------------|----------------------------------|---------------------|--------------------|--------------------------|----------------------------------|-------------------|---|-------------------------|------------------------|
| | Balance, beginning of year | Additions | Disposals | Balance, end of year | Balance, beginning of year | Amortization | Accumulated amortization on disposals | Balance, end of year | 2016 net book value |
| Band Housing | \$ 753,249 | \$ - | \$ - | \$ 753,249 | \$ 319,369 | \$ 17,710 | \$ - | \$ 337,079 | \$ 416,170 |
| C.M.H.C. Social Housing | 2,089,043 | 917,728 | - | 3,006,771 | 232,807 | 52,686 | - | 285,493 | 2,721,278 |
| Office equipment | 151,783 | - | - | 151,783 | 116,409 | 15,051 | - | 131,460 | 20,323 |
| Machinery and equipment | 230,262 | 10,000 | - | 240,262 | 225,150 | 2,870 | - | 228,020 | 12,242 |
| Construction in progress | - | 1,986,564 | - | 1,986,564 | - | - | - | - | 1,986,564 |
| Trailer | 28,500 | - | - | 28,500 | 21,300 | 2,000 | - | 23,300 | 5,200 |
| Truck | - | 54,665 | - | 54,665 | - | 5,467 | - | 5,467 | 49,198 |
| Telephone poles | 5,469 | - | - | 5,469 | 2,871 | 274 | - | 3,145 | 2,324 |
| Incinerator | 68,500 | - | (68,500) | - | 6,850 | - | (6,850) | - | - |
| Gas Bar | 491,222 | - | - | 491,222 | 32,748 | 32,748 | - | 65,496 | 425,726 |
| | \$ 3,818,028 | \$ 2,968,957 | \$ (68,500) | \$ 6,718,485 | \$ 957,504 | \$ 128,806 | \$ (6,850) | \$ 1,079,460 | \$ 5,639,025 |

| | Cost | | | Accumulated amortization | | | | | |
|-------------------------|----------------------------------|---------------------|---------------------|--------------------------|----------------------------------|-------------------|---|-------------------------|------------------------|
| | Balance, beginning of year | Additions | Disposals | Balance, end of year | Balance, beginning of year | Amortization | Accumulated amortization on disposals | Balance, end of year | 2015 Net book value |
| Band Housing | \$ 310,514 | \$ 442,735 | \$ - | \$ 753,249 | \$ 310,514 | \$ 8,855 | \$ - | \$ 319,369 | \$ 433,880 |
| C.M.H.C. Social Housing | 1,960,377 | 128,666 | - | 2,089,043 | 193,125 | 39,682 | - | 232,807 | 1,856,236 |
| Office equipment | 142,058 | 9,725 | - | 151,783 | 101,573 | 14,836 | - | 116,409 | 35,374 |
| Machinery and equipment | 226,573 | 3,689 | - | 230,262 | 222,958 | 2,192 | - | 225,150 | 5,112 |
| Trailer | 52,820 | - | (24,320) | 28,500 | 21,932 | 1,800 | (2,432) | 21,300 | 7,200 |
| Truck | 255,479 | 12,875 | (268,354) | - | 40,628 | - | (40,628) | - | - |
| Telephone poles | 5,469 | - | - | 5,469 | 2,598 | 273 | - | 2,871 | 2,598 |
| Incinerator | - | 68,500 | - | 68,500 | - | 6,850 | - | 6,850 | 61,650 |
| Gas Bar | - | 491,222 | - | 491,222 | - | 32,748 | - | 32,748 | 458,474 |
| | \$ 2,953,290 | \$ 1,157,412 | \$ (292,674) | \$ 3,818,028 | \$ 893,328 | \$ 107,236 | \$ (43,060) | \$ 957,504 | \$ 2,860,524 |

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

18. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following:

| | 2016 | 2015 |
|--|---------------------|---------------------|
| Externally Restricted | | |
| Housing Reserves | \$ 109,329 | \$ 120,304 |
| Ottawa Trust Funds | 54,541 | 52,753 |
| St'at'imc (PC) 2011 Trust Fund | 1,003,822 | 892,155 |
| Internally Restricted | | |
| Internally Restricted Capital Bylaw Fund (Note 19) | 5,332,397 | 4,987,241 |
| Unrestricted | | |
| Band Government | 1,337,144 | 134,831 |
| Business Enterprises Fund | 103,719 | 72,749 |
| | \$ 7,940,952 | \$ 6,260,033 |

19. INTERNALLY RESTRICTED CAPITAL BY LAW FUNDS

| | Infrastructure Fund | Capital Fund | Education Fund | 2016 | 2015 |
|-----------------------|------------------------|---------------------|---------------------|---------------------|---------------------|
| Portfolio Investments | \$ 1,313,911 | \$ 1,110,450 | \$ 1,313,730 | \$ 3,738,091 | \$ 3,789,425 |
| Accounts Receivable | 54,854 | 50,810 | 59,299 | 164,963 | 105,188 |
| Loans Receivable | 95,291 | 97,033 | 96,540 | 288,864 | 288,864 |
| Operating Advances | 399,171 | 342,136 | 399,172 | 1,140,479 | 803,764 |
| | \$ 1,863,227 | \$ 1,600,429 | \$ 1,868,741 | \$ 5,332,397 | \$ 4,987,241 |

20. CONTINGENT LIABILITIES

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

In the normal course of its operations, the Band occasionally 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 the Band's financial statements.

As at March 31, 2016, the total ministerial housing loan guarantees provided to financial institutions for loans to the Band and individual members are in the amount of \$2,121,334.

21. LEASE COMMITMENTS

The Band entered into a lease agreement for office space in Pemberton. Under the terms of the lease, the Band is obligated to pay \$2,557 per month.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

22. ECONOMIC DEPENDENCE

The Band receives a significant portion of its revenue pursuant to a funding agreement with Indigenous and Northern Affairs Canada (INAC). The nature and extent of this revenue is of such significance that the Band is economically dependent on this source of revenue.

23. EXPENSES BY OBJECT

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|----------------|----------------|----------------|
| Professional fees and Subcontract | \$ 1,258,401 | \$ 2,304,022 | \$ 776,641 |
| Wages and benefits | 565,853 | 809,549 | 749,261 |
| Repairs and maintenance | 241,378 | 305,341 | 209,095 |
| Training, travel and workshops | 299,566 | 296,843 | 389,256 |
| Other expense | 1,000 | 243,162 | 154,211 |
| Members distribution | 150,000 | 143,886 | 122,064 |
| Amortization | - | 128,804 | 107,236 |
| Administration fees and office | 112,535 | 119,456 | 81,515 |
| Utilities and telephone | 84,853 | 118,551 | 121,037 |
| Loan payments | 66,138 | 113,694 | 120,549 |
| Social assistance | 78,164 | 109,389 | 66,300 |
| Materials and supplies | 94,248 | 76,433 | 298,273 |
| Bad debts | - | 66,379 | 29,881 |
| Acquisition of tangible capital assets | 20,000 | 64,665 | 117,179 |
| Honorariums | 107,900 | 63,731 | 136,461 |
| Administration and governance | 77,250 | 63,171 | 70,000 |
| Interest and bank charges | 11,785 | 56,145 | 42,255 |
| Education | 95,045 | 50,029 | 87,112 |
| Advertising | 3,000 | 46,496 | 9,373 |
| Insurance | 28,724 | 36,833 | 41,595 |
| Health | 18,818 | 30,970 | 17,328 |
| Education and training | 5,000 | 24,000 | 10,405 |
| Donations | 7,000 | 8,338 | 12,202 |
| Health | 1,250 | 5,000 | 2,090 |
| Charity | 1,500 | 3,500 | 300 |
| Economic development and well being | - | 2,500 | - |
| Infrastructure and programming | 32,000 | - | 45,482 |
| Vehicle | 21,900 | - | 29,000 |
| Social and spiritual well being | 10,000 | - | 2,099 |
| Fuel and propane | 27,010 | - | 1,609 |
| Employment training | 1,162 | - | - |
| | \$ 3,421,480 | \$ 5,290,887 | \$ 3,849,809 |

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS **MARCH 31, 2016**

24. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council.

25. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

26. SEGMENTED INFORMATION

| | Band Government | | | Community Infrastructure | | | Health | | |
|---|-----------------------|---------------------|---------------------|--------------------------|--------------------|---------------------|-----------------|--------------------|-----------------|
| | 2016 Budget | 2016 Actual | 2015 Actual | 2016 Budget | 2016 Actual | 2015 Actual | 2016 Budget | 2016 Actual | 2015 Actual |
| Revenues | | | | | | | | | |
| INAC | \$ 107,450 | \$ 194,356 | \$ 177,063 | \$ 174,469 | \$ 185,843 | \$ 10,069 | \$ 247,354 | \$ - | \$ - |
| Canada Mortgage and Housing Corporation | - | - | - | - | - | - | - | - | - |
| Health Canada | - | - | - | - | - | - | 9,278 | 8,284 | 9,638 |
| Economic activities | 350 | - | - | - | 1,211,148 | - | 50,504 | 50,505 | 39,220 |
| Other revenue | 70,898 | 208,096 | 101,118 | - | - | 28,622 | - | (2,027) | 3,906 |
| Total revenue | 178,698 | 402,452 | 278,181 | 174,469 | 1,407,060 | 275,976 | 59,782 | 56,762 | 52,764 |
| Expenses | | | | | | | | | |
| Professional fees and Subcontract | 233,000 | 139,153 | 336,255 | 3,000 | 1,289,388 | 143,802 | - | - | - |
| Wages and benefits | 345,600 | 392,450 | 356,580 | 59,983 | 108,685 | 84,716 | 18,160 | 13,908 | 11,183 |
| Repairs and maintenance | 40,000 | 20,191 | 30,092 | 80,878 | 54,563 | 100,762 | 2,000 | 1,035 | 55 |
| Training, travel and workshops | 219,500 | 195,329 | 267,248 | 8,000 | 23,358 | 30,038 | 6,766 | 14,832 | 12,553 |
| Members distribution | 144,000 | 139,886 | 119,064 | - | - | - | - | - | - |
| Amortization | - | 76,118 | 67,554 | - | - | - | - | - | - |
| Administration fees and office | 55,500 | 64,467 | 69,472 | 1,500 | 1,765 | 3,381 | 6,282 | 4,087 | 1,362 |
| Utilities and telephone | 31,800 | 28,023 | 28,383 | 1,000 | 1,360 | 2,393 | 217 | 1,375 | 652 |
| Other expenses | 118,185 | 228,296 | 369,807 | 38,500 | 13,148 | 53,981 | 20,518 | 32,492 | 21,881 |
| Total expenses | 1,187,585 | 1,283,913 | 1,644,455 | 192,861 | 1,492,267 | 419,073 | 53,943 | 67,729 | 47,686 |
| Other | (1,008,887) | (881,461) | (1,366,274) | (18,392) | (85,207) | (143,097) | 5,839 | (10,967) | 5,078 |
| Annual surplus (deficit) | \$ (1,008,887) | \$ 1,138,118 | \$ (337,528) | \$ (18,392) | \$ (85,207) | \$ (143,097) | \$ 5,839 | \$ (10,967) | \$ 5,078 |

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

26. SEGMENTED INFORMATION, continued

| | Education | | Social Development | | Economic Development | | | | |
|-----------------------------------|--------------------|--------------------|--------------------|----------------|----------------------|-------------------|---------------------|--------------------|-------------------|
| | 2016 Budget | 2016 Actual | 2015 Actual | 2016 Budget | 2016 Actual | 2015 Actual | 2016 Budget | 2016 Actual | 2015 Actual |
| Revenues | | | | | | | | | |
| INAC | \$ 88,080 | \$ 120,939 | \$ 105,720 | \$ 104,759 | \$ 112,152 | \$ 102,237 | \$ 11,935 | \$ 14,313 | \$ 10,609 |
| Province of BC | - | - | - | - | - | - | 83,027 | 77,715 | 83,028 |
| Economic activities | 2,697 | 3,052 | 3,206 | - | - | - | - | - | - |
| Other revenue | 6,200 | (46,513) | 3,783 | - | (35,940) | (9,634) | 327,000 | 661,456 | 1,031,592 |
| Total revenue | 96,977 | 77,478 | 112,709 | 104,759 | 76,212 | 92,603 | 421,962 | 753,484 | 1,125,229 |
| Expenses | | | | | | | | | |
| Professional fees and Subcontract | 19,665 | 11,400 | 17,351 | 2,762 | - | - | 115,292 | 101,571 | 185,106 |
| Wages and benefits | - | 20,407 | 3,558 | 23,176 | 22,851 | 24,401 | 118,934 | 250,150 | 106,610 |
| Repairs and maintenance | - | - | - | - | - | - | 2,500 | 28,362 | 22,180 |
| Training, travel and workshops | 7,000 | 1,005 | 1,932 | 9,400 | 7,105 | 8,186 | 48,500 | 55,214 | 41,288 |
| Members distribution | - | - | - | - | - | - | 6,000 | 4,000 | 3,000 |
| Administration fees and office | 3,137 | 277 | - | 500 | 4,749 | - | 45,616 | 36,515 | - |
| Utilities and telephone | - | - | - | 500 | 336 | 602 | 51,336 | 87,458 | 89,007 |
| Other expenses | 98,715 | 54,796 | 74,553 | 68,421 | 65,632 | 67,108 | 216,733 | 234,176 | 385,113 |
| Total expenses | 128,517 | 87,885 | 97,394 | 104,759 | 100,673 | 100,297 | 604,911 | 797,446 | 832,304 |
| Other | (31,540) | (10,407) | 15,315 | - | (24,461) | (7,694) | (182,949) | (43,962) | 292,925 |
| Annual surplus (deficit) | \$ (31,540) | \$ (10,407) | \$ 15,315 | - | \$ (24,461) | \$ (7,694) | \$ (182,949) | \$ (43,962) | \$ 292,925 |

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

26. SEGMENTED INFORMATION, continued

| | Housing | | Housing Reserves | | Business Enterprises Fund | | | |
|---|-----------------------|-------------------|--------------------|----------------|---------------------------|------------------|----------------|---------------------|
| | 2016 Budget | 2016 Actual | 2015 Actual | 2016 Budget | 2016 Actual | 2015 Actual | 2016 Budget | 2016 Actual |
| Revenues | | | | | | | | |
| INAC | \$ - | \$ - | \$ 5,550 | \$ - | \$ - | \$ - | \$ - | \$ - |
| All Nations Trust | 786,336 | 749,682 | 360,306 | - | - | - | - | - |
| Canada Mortgage and Housing Corporation | 18,910 | 55,813 | 49,624 | - | - | - | - | - |
| Net income (loss) from GBE | - | - | - | - | - | - | 30,970 | (277,971) |
| Economic Activities | 119,766 | 219,766 | 47,055 | - | - | - | - | - |
| Other revenue | 33,768 | 257,194 | 68,487 | - | 14,671 | 12,396 | - | - |
| Total revenue | 958,780 | 1,282,455 | 531,022 | - | 14,671 | 12,396 | 30,970 | (277,971) |
| Expenses | | | | | | | | |
| Professional fees and Subcontract | 884,682 | 762,510 | 94,128 | - | - | - | - | - |
| Wages and benefits | - | 1,098 | 162,213 | - | - | - | - | - |
| Repairs and maintenance | 116,000 | 170,717 | 56,006 | - | 30,473 | - | - | - |
| Training, travel and workshops | 400 | - | 28,011 | - | - | - | - | - |
| Amortization | - | 52,686 | 39,682 | - | - | - | - | - |
| Administration fees and office | - | 7,597 | 7,300 | - | - | - | - | - |
| Other expenses | 110,482 | 264,553 | 167,506 | - | - | 192 | - | - |
| Total expenses | 1,111,564 | 1,259,161 | 554,846 | - | 30,473 | 192 | - | - |
| Other | (152,784) | 23,294 | (23,824) | - | (15,802) | 12,204 | - | 30,970 |
| Annual surplus (deficit) | \$ (152,784)\$ | 244,026 \$ | (215,782)\$ | - | \$ (15,802)\$ | 12,204 \$ | - | \$ 30,970 \$ |
| | | | | | | | | |

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

26. SEGMENTED INFORMATION, continued

| | Ottawa Trust Funds | | | St'at'imc (PC) 2011 Trust Fund | | |
|---|--------------------|----------------|----------------|--------------------------------|----------------|----------------|
| | 2016 Budget | 2016 Actual | 2015 Actual | 2016 Budget | 2016 Actual | 2015 Actual |
| Revenues | | | | | | |
| Funding from First Nation Organizations | \$ - | \$ - | \$ - | \$ - | \$ 308,713 | \$ 291,622 |
| Other revenue | | | | | | |
| | | | | | | |
| Total revenue | - | 1,788 | 1,902 | - | 308,790 | 291,723 |
| Expenses | | | | | | |
| Other expenses | - | - | - | - | 143,171 | 130,376 |
| | | | | | | |
| Total expenses | - | - | - | - | 143,171 | 130,376 |
| Other | - | 1,788 | 1,902 | - | 165,619 | 161,347 |
| | | | | | | |
| Annual surplus (deficit) | \$ - | \$ 1,788 | \$ 1,902 | \$ - | \$ 111,667 | \$ 188,075 |

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

26. SEGMENTED INFORMATION, continued

| | Internally Restricted Capital Bylaw Fund | | | Consolidated totals | | |
|--|--|----------------------|------------------------|---------------------|------------------------|----------------------|
| | 2016 Budget | 2016 Actual | 2015 Actual | 2016 Budget | 2016 Actual | 2015 Actual |
| Revenues | | | | | | |
| INAC | \$ - | \$ - | \$ - | \$ 486,693 | \$ 627,603 | \$ 648,533 |
| INAC Reimbursement (Recovery) | | | | 786,336 | 749,682 | 360,306 |
| Canada Mortgage and Housing Corporation | | | | 18,910 | 65,882 | 49,624 |
| Health Canada | | | | 9,278 | 8,284 | 9,638 |
| Province of BC | | | | 83,027 | 77,715 | 83,028 |
| Net income (loss) from GBE | | | | | 30,970 | (277,971) |
| Funding from First Nation Organizations | | | | 173,317 | 1,793,184 | 381,103 |
| Net income (loss) from government business enterprises | | 131,849 | 547,973 | | 131,849 | 547,973 |
| Other revenue | | 395,081 | 627,567 | 437,866 | 1,453,883 | 1,869,840 |
| Total revenue | | 526,930 | 1,175,540 | 1,995,427 | 4,939,052 | 3,672,074 |
| Expenses | | | | | | |
| Professional fees and Subcontract | | | | 1,258,401 | 2,304,022 | 776,642 |
| Wages and benefits | | | | 565,853 | 809,549 | 749,261 |
| Repairs and maintenance | | | | 241,378 | 305,341 | 209,095 |
| Training, travel and workshops | | | | 299,566 | 296,843 | 389,256 |
| Members distribution | | | | 150,000 | 143,886 | 122,064 |
| Amortization | | | | | 128,804 | 107,236 |
| Administration fees and office | | | | 112,535 | 119,457 | 81,515 |
| Utilities and telephone | | | | 84,853 | 118,552 | 121,037 |
| Other expenses | | 28,169 | 23,186 | 671,554 | 1,064,433 | 1,293,703 |
| Total expenses | | 28,169 | 23,186 | 3,384,140 | 5,290,887 | 3,849,809 |
| Other | | 498,761 (153,605) | 1,152,354 (259,945) | (1,388,713) | (351,835) 2,032,754 | (177,735) 603,572 |
| Annual surplus (deficit) | \$ - | \$ 345,156 | \$ 892,409 | \$ (1,388,713) | \$ 1,680,919 | \$ 425,837 |