

**SEMIAHMOO FIRST NATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**SEMIAHMOO FIRST NATION**  
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**MARCH 31, 2015**

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

The accompanying consolidated financial statements of Semiahmoo First Nation for the year ended March 31, 2015 are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material aspects.

Semiahmoo First Nation's management is responsible for maintaining 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 Semiahmoo First Nation's assets are appropriately accounted for and adequately safeguarded.

Semiahmoo First Nation's Chief and Council are responsible for ensuring that management fulfills its responsibilities of financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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

The consolidated financial statements of Semiahmoo First Nation have been audited by MNP LLP in accordance with Canadian generally accepting auditing standards on behalf of the members. MNP LLP has full and free access to the Chief and Council with regard to audit requirements.

On behalf of Semiahmoo First Nation

(Signature on file)

July 26, 2017

## INDEPENDENT AUDITORS' REPORT

To the Members,  
Semiahmoo First Nation:

We have audited the accompanying consolidated financial statements of Semiahmoo First Nation, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of change in net financial assets, operations and 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 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 misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### *Basis for Qualified Opinion*

One of the organization's within the First Nation's government reporting entity derives a portion of its revenue from cash sales, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue included in the partnership income was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to cash revenue, accumulated surplus, assets and net assets.

The consolidated financial statements do not include budgeted information. The exclusion of such information is a departure from Canadian public sector accounting standards as the comparison of budgeted to actual results is a significant measurement of performance.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, these consolidated statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2015 and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

July 26, 2017

Surrey, British Columbia

**MNP LLP**

Chartered Professional Accountants

**SEMIAHMOO FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2015**

	2015	2014
		(Restated) (Note 13)
<b>FINANCIAL ASSETS:</b>		
Cash	\$ 261,175	\$ 133,106
Portfolio investments (market value - \$2,512,707; 2014 - \$3,979,894)	2,229,426	3,863,505
Trust funds held by federal government (Note 3)	8,867	8,415
Accounts receivable (Note 4)	703,486	425,183
Investment in Se-Mi-Ah-Mu Limited Partnership (Notes 5 & 13)	637,260	745,934
<b>Total financial assets</b>	<b>3,840,214</b>	<b>5,176,143</b>
<b>FINANCIAL LIABILITIES:</b>		
Accounts payable and accrued liabilities (Note 6)	542,566	534,597
Deferred revenue (Note 7)	9,557	22,022
Notes payable (Note 8)	281,958	903,840
<b>Total financial liabilities</b>	<b>834,081</b>	<b>1,460,459</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,006,133</b>	<b>3,715,684</b>
<b>NON-FINANCIAL ASSETS:</b>		
Tangible capital assets (Note 9)	729,930	581,213
Prepaid expenses	25,645	22,618
<b>Total non-financial assets</b>	<b>755,575</b>	<b>603,831</b>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<b>\$ 3,761,708</b>	<b>\$ 4,319,515</b>

**CONTINGENT LIABILITIES (Note 11)**

**APPROVED BY COUNCIL**

(Signature on file), Chief Councillor

(Signature on file), Councillor

**SEMIAHMOO FIRST NATION**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
		(Restated) (Note 13)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS:</b>		
Annual surplus (deficit)	\$ (557,807)	\$ 3,089,271
Amortization of tangible capital assets	63,496	51,020
Acquisition of tangible capital assets	(212,213)	(40,143)
Acquisition of prepaid expenses	(24,896)	(19,004)
Use of prepaid expenses	21,869	16,413
Increase (decrease) in net financial assets	(709,551)	3,097,557
<b>NET FINANCIAL ASSETS, BEGINNING OF THE YEAR</b>	3,715,684	618,127
<b>NET FINANCIAL ASSETS, END OF THE YEAR</b>	\$ 3,006,133	\$ 3,715,684

The accompanying Notes are an integral part of this statement.

**SEMIAHMOO FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2015 AND 2014**

	2015	2014
<b>REVENUE:</b>		
Aboriginal Affairs and Northern Development Canada ("AANDC")	\$ 166,821	\$ 171,673
First Nations Education Steering Committee ("FNESC")	2,418	2,000
First Nations Health Authority ("FNHA")	92,068	87,216
Interest and investment income	80,639	2,799
Government of Canada	70,000	8,000
Other revenue	377,731	420,590
Partnership income	538,065	858,142
Province of British Columbia	22,500	3,329,000
	1,350,242	4,879,420
<b>EXPENSES:</b>		
Administration	858,232	939,924
Capital assets	60,810	48,265
Community programs	289,763	257,197
Economic initiative	24,188	12,449
Education	39,893	43,298
Health	96,554	90,277
Lands and resources	344,206	224,807
Operations and maintenance	123,478	87,881
Social services	70,925	86,051
	1,908,049	1,790,149
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(557,807)</b>	<b>3,089,271</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>4,319,515</b>	<b>1,230,244</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 3,761,708</b>	<b>\$ 4,319,515</b>

The accompanying Notes are an integral part of this statement.

**SEMPIAHMOO FIRST NATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
<b>CASH WAS PROVIDED FROM (USED IN):</b>		
Operating Activities:		
Annual surplus (deficit)	\$ (557,807)	\$ 3,089,271
Items not affecting cash -		
Amortization of tangible capital assets	63,496	51,020
Increase in trust funds held by federal government	(452)	(412)
Income reinvested in Se-mi-ah-mu Limited Partnership	(538,065)	(858,142)
Loss (gain) on disposal of portfolio investments	(60,270)	8,468
	(1,093,098)	2,290,205
Net change in non cash working capital balances		
Increase in accounts receivable	(278,303)	(124,413)
Increase in prepaid expenses	(3,027)	(2,591)
Increase (decrease) in accounts payable and accrued liabilities	7,969	(135,356)
Increase (decrease) in deferred revenue	(12,465)	422
	(285,826)	(261,938)
	(1,378,924)	2,028,267
Capital transaction:		
Acquisition of tangible capital assets	(212,213)	(40,143)
Investing transactions:		
Increase in portfolio investments	(281,961)	(3,712,945)
Decrease in portfolio investments	1,976,310	442,134
Decrease in investment in Se-Mi-Ah-Mu Limited Partnership	646,739	1,051,563
	2,341,088	(2,219,248)
Financing transactions:		
Increase in notes payable	287,920	111,132
Repayment of notes payable	(909,802)	(120,000)
	(621,882)	(8,868)
Increase (decrease) in cash	128,069	(239,992)
<b>CASH, BEGINNING OF YEAR</b>	<b>133,106</b>	<b>373,098</b>
<b>CASH, END OF YEAR</b>	<b>\$ 261,175</b>	<b>\$ 133,106</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	\$ 247,255	\$ NIL
Cash received during the year for interest	\$ 11,949	\$ 10,834

The accompanying Notes are an integral part of this statement.

**SEMPIAHMOO FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

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## **PURPOSE OF SEMIAHMOO FIRST NATION**

Semiahmoo First Nation ("the First Nation") is a First Nation village government operating out of Surrey, British Columbia. The First Nation is responsible for the well-being of its community and enacts legal policies and programs in the areas of Administration, Social Services, Health, Lands and Resources, Operations and Maintenance, Community Programs, Education, and Economic Initiative. The First Nation is also mandated to take actions to protect the well-being of members and the community and to establish cultural programs and undertake initiatives in economic development.

## **1. SIGNIFICANT ACCOUNTING POLICIES**

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

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned, provided it is measurable and collectability is reasonably assured; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

### **(b) Reporting Entity**

Included in the reporting entity are the First Nation and all related entities that are controlled by the First Nation. All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise. Government business enterprises are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Organizations consolidated in the First Nation's consolidated financial statements include:

1. Se-mi-ah-mu Inc.; and
2. Se-mi-ah-mu Development Corporation

The organization accounted for on a modified equity basis includes the Se-mi-ah-mu Limited Partnership.

### **(c) Liability for Contaminated Sites**

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2015.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2015, the First Nation's estimated liability for contaminated sites was \$NIL.

**SEMIAMOO FIRST NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)****1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(d) Foreign Currency Translation**

One of the First Nation's controlled consolidated entities is a foreign operation. Accordingly, the current-rate method is used to measure the investment in this operation. Monetary assets and liabilities are translated to Canadian dollars using the exchange rate in effect at the balance sheet date. All other assets and liabilities are translated at historical rates. Revenue and expenses are translated at the weighted average exchange rate for the year, except amortization, which is translated at the historical rate applicable to the related asset.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents represent operating cash on hand and short-term, highly liquid investments that are readily convertible to known amounts with an initial maturity of less than three months and which are subject to an insignificant risk of changes in value.

**(f) Portfolio Investments**

The First Nation's portfolio investments include marketable securities and are recorded at their original cost. If there has been an other than temporary decline in the value of an investment, the investment is written down to its net realizable value.

**(g) Long-lived assets**

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus for the year.

**(h) Tangible Capital Assets**

Material tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Maintenance and repair costs are recognized as an expense when incurred. Betterments that significantly increase or prolong the service life or capacity of a tangible capital asset are capitalized.

Contributed capital assets are recorded at fair value when received and shown as revenue, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

All intangibles and items inherited by right of the First Nation, such as reserve lands, forests, water, and mineral resources, are not recognized as assets the First Nation's consolidated financial statements.

Historic works of art and treasures are not recorded as assets in these consolidated financial statements.

## SEMIAHMOO FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)

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#### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (i) Amortization

Tangible capital assets controlled by the First Nation are amortized over their estimated useful lives on a straight-line basis using the following annual rates:

Buildings	20 - 40 years
Chlorination station	20 years
Commercial fishing boats	10 years
Computers and office equipment	3 - 10 years
Equipment	10 years
Leasehold improvements	15 years
Housing	20 years
Service installations	10 - 20 years

In the year of acquisition the above rates are reduced by one-half.

##### (j) 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. Financial assets include cash, portfolio investments, trust funds held by federal government and accounts receivable. Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. Non-financial assets have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

##### (k) Revenue Recognition

Government transfers are recognized 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 a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Funding received under funding arrangements which relates to a subsequent period is reflected as deferred revenue in the year of receipt and classified as such on the consolidated statement of financial position. Funding is recognized when conditions have been met.

Investment income reported on investments not subject to significant influence is recorded as revenue in the period earned.

All other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

##### (l) Expenses

Expenses are recognized in the fiscal year that the events giving rise to the expense occur and resources are consumed.

**SEMIAHMOO FIRST NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(m) Segment Disclosure**

The First Nation conducts its business through ten reportable segments: Administration, Social Services, Health, Lands and Resources, Operations and Maintenance, Community Programs, Education, Economic Initiative, Trust Fund and Capital Assets. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed above.

**(n) Use of Estimates**

The preparation of consolidated financial statements in conformance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of the revenue and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available.

**(o) Recent accounting pronouncements****Financial instruments**

In June 2011, the Public Sector Accounting Board ("PSAB") issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and nonfinancial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, consolidated financial statements of prior periods, including comparative information, are not restated.

## SEMIAHMOO FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)

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#### 2. CHANGES IN ACCOUNTING POLICIES

Effective April 1, 2014, the First Nation adopted the recommendations to PS 3260, *Liability for Contaminated Sites*, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, the First Nation is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note 1, *Significant Accounting Policies*.

There was no effect on the First Nation's financial statements of adopting the above-noted change in accounting policy.

#### 3. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

AANDC holds certain funds in trust for the First Nation. These funds are designated as revenue or capital funds 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. Subject to approval by the Minister of Aboriginal Affairs and Northern Development Canada, the First Nation is permitted to expend its revenue funds for any purpose that will promote the general progress and welfare of the First Nation and members. The use of capital funds requires the consent of the Minister of Aboriginal Affairs and Northern Development Canada and such expenditures generally must be for projects of a capital nature.

	2014		2015	
	Total	Additions	Withdrawals	Total
Revenue	\$ 5,572	\$ 452	\$ -	\$ 6,024
Capital	2,843	-	-	2,843
	\$ 8,415	\$ 452	\$ -	\$ 8,867

#### 4. ACCOUNTS RECEIVABLE

	2015	2014
AANDC	\$ 355,830	\$ 281,360
Due from members	1,940,596	1,595,212
Province of British Columbia	-	29,000
Other receivables	47,550	72,919
	2,343,976	1,978,491
Less: Allowance for doubtful accounts	(1,640,490)	(1,553,308)
	\$ 703,486	\$ 425,183

## SEMIAHMOO FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)

#### 5. INVESTMENT IN SE-MI-AH-MU LIMITED PARTNERSHIP

The investment in Se-mi-ah-mu Limited Partnership represents 9,999 limited partnership units owned by the First Nation. The Partnership was formed on May 30, 2002 as a Limited Partnership under the *Partnership Act* of the Province of British Columbia. The General Partner of the Partnership is Se-mi-ah-mu Development Corporation and the Limited Partner of the Partnership is Semiahmoo First Nation. The Partnership's main business activities are commercial property rentals and short-term parking lot rentals.

The following provides condensed financial information for the years ended March 31, 2015 and 2014:

	2015	2014
		(Restated) (Note 13)
<b>Assets:</b>		
Cash	\$ 38,465	\$ 40,791
Accounts receivable	14,695	1,827
Loan receivable from partner	1,632,340	1,638,016
Property and equipment	544,537	540,279
Intangible asset	161,144	194,059
<b>Total assets</b>	<b>\$ 2,391,181</b>	<b>\$ 2,414,972</b>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 18,415	\$ 16,633
Customer deposits	10,098	14,389
Unearned revenue	93,068	-
	121,581	31,022
<b>Partners' equity</b>	<b>2,269,600</b>	<b>2,383,950</b>
<b>Total liabilities and partners' equity</b>	<b>\$ 2,391,181</b>	<b>\$ 2,414,972</b>
<b>Results of operations:</b>		
Revenue	\$ 1,008,953	\$ 1,161,804
Expenses	470,830	303,577
<b>Net income</b>	<b>\$ 538,123</b>	<b>\$ 858,227</b>

**SEMIAHMOO FIRST NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)****6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2015	2014
AANDC	\$ 46,345	\$ 44,472
Other payables	496,221	490,125
	<b>\$ 542,566</b>	<b>\$ 534,597</b>

**7. DEFERRED REVENUE**

	2014 Deferred Revenue	Current Year Funding Received	Current Year Revenue Recognized	2015 Deferred Revenue
AANDC	\$ -	\$ 40,047	\$ (30,490)	\$ 9,557
FNHA	22,022	-	(22,022)	-
	<b>\$ 22,022</b>	<b>\$ 40,047</b>	<b>\$ (52,512)</b>	<b>\$ 9,557</b>

**8. NOTES PAYABLE**

The notes payable to parties related to a council member have various terms of repayment and are analyzed as follows:

	2015	2014
Due on demand, unsecured and bears interest at prime plus 1%	\$ 170,000	\$ 123,823
Due on demand, unsecured and bears interest at prime plus 2.5%	93,891	538,724
Due on demand, unsecured and non-interest bearing	18,067	241,293
	<b>\$ 281,958</b>	<b>\$ 903,840</b>

During the year, the First Nation accrued interest of \$24,028 (2014 - \$34,355), included in administration expenses.

At March 31, 2015 the prime rate was 2.85% (2014 - 3.00%)

**SEMIAHMOO FIRST NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)****9. TANGIBLE CAPITAL ASSETS**

	2014 Cost (Note 13)	2014 Accumulated Amortization (Note 13)	2014 Net Book Value	2015 Additions/ Disposals	2015 Amortization (Net of disposals)	2015 Net Book Value
Buildings	\$ 274,914	\$ 135,398	\$ 139,516	\$ 6,608	\$ 8,841	\$ 137,283
Chlorination station	326,733	89,853	236,880	-	16,337	220,543
Commercial fishing boats	16,749	10,630	6,119	-	1,675	4,444
Computer and office equipment	52,467	37,361	15,106	1,457	9,644	6,919
Equipment	59,661	35,847	23,814	25,769	5,902	43,681
Land	60,577	-	60,577	-	-	60,577
Leasehold improvements	94,017	67,877	26,140	-	4,701	21,439
Housing	181,273	118,376	62,897	160,911	13,087	210,721
Service installations	46,073	35,909	10,164	17,467	3,309	24,322
	\$1,112,464	\$ 531,251	\$ 581,213	\$ 212,212	\$ 63,496	\$ 729,929

	2015 Cost	2015 Accumulated Amortization	2015 Net Book Value
Buildings	\$ 281,522	\$ 144,239	\$ 137,283
Chlorination station	326,733	106,190	220,543
Commercial fishing boats	16,749	12,305	4,444
Computer and office equipment	53,924	47,005	6,919
Equipment	85,430	41,749	43,681
Land	60,577	-	60,577
Leasehold improvements	94,017	72,578	21,439
Housing	342,184	131,463	210,721
Service installations	63,540	39,218	24,322
	\$1,324,676	\$ 594,747	\$ 729,929

## SEMIAHMOO FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)

#### 10. ACCUMULATED SURPLUS

The First Nation's accumulated surplus is analyzed as follows:

	2015	2014	
			(Restated) (Note 13)
Financial assets restricted to discharge financial liabilities:			
- deferred revenue	\$ 9,557	\$ 22,022	
- notes payable	281,958	903,840	
Trust funds held by federal government - capital account	2,843	2,843	
Investment in Se-mi-ah-mu Limited Partnership	637,260	745,934	
Investment in tangible capital assets	729,930	581,213	
	1,661,548	2,255,852	
Surplus available for operations	2,100,160	2,063,663	
Accumulated surplus	\$ 3,761,708	\$ 4,319,515	

#### 11. CONTINGENT LIABILITIES

##### (a) Member housing loan

The First Nation is contingently liable for the member housing loan provided to a member for a loan made by a financial institution for purposes of acquiring on reserve housing. In the event that the member defaults on his/her obligation under this loan, the First Nation would be required to pay the outstanding loan balance to the lender. In the event that the First Nation is unable to pay on the defaulted member loan, this loan is guaranteed by AANDC. The First Nation's guarantee is itself secured by the related real property. As at March 31, 2015 the balance of the member loan due to Westminster Savings Credit Union was \$5,626 (2014 - \$16,412).

##### (b) Contribution agreements

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

#### 12. SUBSEQUENT EVENTS

Subsequent to year-end, the First Nation entered into an agreements with the Province of British Columbia which resulted in lands revenue in the amount of \$3,237,250.

## SEMIAHMOO FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)

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#### 13. CORRECTION OF AN ERROR

During the year, the First Nation determined that land owned by the Se-Mi-Ah-Mu Limited Partnership was incorrectly included in tangible capital assets. The impact of this correction has resulted in an increase in the Investment in Se-Mi-Ah-Mu Limited Partnership and a decrease in tangible capital assets.

The error has been corrected retrospectively for comparative purposes and resulted in the following:

	2015	2014
	Increase (Decrease)	Increase (Decrease)
Financial assets	\$ 400,000	\$ 400,000
Tangible capital assets	\$ (400,000)	\$ (400,000)
Accumulated surplus	\$ -	\$ -

#### 14. SEGMENT DISCLOSURE

The First Nation describes its operating segments as follows:

(a) Administration

This segment provides band support and administrative services for the operations of the First Nation, including various financial functions such as payroll, accounts receivable and accounts payable.

(b) Social Services

This segment administers benefits and services to individuals and families living on reserve who are in need of support. Department services include income assistance, assisted living, family violence prevention and awareness and the national child benefit reinvestment.

(c) Health

This segment administers the delivery of the health programs and services.

(d) Lands and Resources

This segment is responsible for ensuring that interests of the First Nation are represented in matters of lands and natural resources, on and off reserve lands.

(e) Operations and Maintenance

This segment is comprised of programs that oversee the First Nation's infrastructure and include revenues and expenses related to the repair and maintenance of the First Nation's land, community water systems, roads, equipment and buildings.

## **SEMIAHMOO FIRST NATION**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)**

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#### **14. SEGMENT DISCLOSURE (Continued)**

**(f) Community Programs**

This segment administers the delivery of programs that support the social development and culture to members of the community including providing assistance to First Nation's members when looking for employment and delivering training programs for skill development.

**(g) Education**

This segment includes language and culture, employment counselling services and the management of post-secondary student funding and support programs.

**(h) Economic Initiative**

This segment implements community economic development planning and capacity building initiatives, which are pursued to benefit the First Nation's community by enhancing employment, income generation activities, economic infrastructure and business opportunities. This segment also includes income from government business enterprises.

**(i) Trust Fund**

This segment reflects funds held in trust by AANDC on behalf of the First Nation.

**(j) Capital Assets**

This segment is comprised of capital assets and related amortization.

**SEMIAHMOO FIRST NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)****14. SEGMENT DISCLOSURE (Continued)**

	Administration	Social Services	Health	Lands and Resources	Operations and Maintenance	Community Programs
<b>REVENUE:</b>						
AANDC	\$ 74,470	\$ 50,322	\$ -	\$ -	\$ 7,294	\$ -
FNESC	-	-	-	-	-	2,418
FNHA	-	-	92,068	-	-	-
Interest and investment income	80,217	-	-	-	-	-
Government of Canada	-	-	-	70,000	-	-
Other revenue	80,277	-	-	254,320	-	26,190
Partnership income	-	-	-	-	-	-
Province of British Columbia	-	-	-	22,500	-	-
	234,964	50,322	92,068	346,820	7,294	28,608
<b>EXPENSES:</b>						
Administration	-	-	-	-	-	-
Advertising and promotion	4,351	-	-	-	-	4,498
Amortization	-	-	-	-	-	-
Bad debts	87,183	-	-	-	-	-
Bank charges and interest	32,536	-	-	-	-	-
Community programs	114,955	3,105	11,935	-	-	272,833
Contract services	200,924	67,820	29,439	78,447	73,590	5,275
Foreign exchange loss (gain)	-	-	-	-	-	-
Insurance	29,425	-	-	3,134	-	-
Materials and supplies	39,281	-	1,255	35,900	4,527	2,253
Professional fees	154,965	-	-	137,166	-	-
Rent	-	-	2,400	-	-	-
Repairs and maintenance	-	-	-	46,981	45,361	-
Travel	5,471	-	-	7,044	-	-
Utilities	35,930	-	-	-	-	-
Wages and benefits	153,211	-	51,525	35,534	-	4,904
	858,232	70,925	96,554	344,206	123,478	289,763
<b>SURPLUS (DEFICIT) BEFORE TRANSFERS</b>	(623,268)	(20,603)	(4,486)	2,614	(116,184)	(261,155)
<b>TRANSFER FROM (TO) OTHER PROGRAMS</b>	(86,365)	20,603	4,486	(2,614)	116,184	261,155
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	3,897,796	-	-	-	-	-
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 3,188,163	\$ NIL	\$ NIL	\$ NIL	\$ NIL	\$ NIL

**SEMIAHMOO FIRST NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - MARCH 31, 2015 (Continued)****14. SEGMENT DISCLOSURE (Continued)**

	Education	Economic Initiative	Trust Fund	Capital Assets	2015	2014
<b>REVENUE:</b>						
AANDC	\$ 34,735	\$ -	\$ -	\$ -	\$ 166,821	\$ 171,673
FNESC	-	-	-	-	2,418	2,000
FNHA	-	-	-	-	92,068	87,216
Interest and investment income	-	-	422	-	80,639	2,799
Government of Canada	-	-	-	-	70,000	8,000
Other revenue	-	16,944	-	-	377,731	420,590
Partnership income	-	538,065	-	-	538,065	858,142
Province of British Columbia	-	-	-	-	22,500	3,329,000
	34,735	555,009	422	-	1,350,242	4,879,420
<b>EXPENSES:</b>						
Administration	-	-	-	-	-	3,122
Advertising and promotion	-	-	-	-	8,849	4,686
Amortization	-	2,686	-	60,810	63,496	51,020
Bad debts	-	-	-	-	87,183	188,988
Bank charges and interest	-	538	-	-	33,074	38,467
Community programs	39,893	-	-	-	442,721	332,156
Contract services	-	-	-	-	455,495	549,590
Foreign exchange loss (gain)	-	(1,459)	-	-	(1,459)	157
Insurance	-	2,424	-	-	34,983	25,375
Materials and supplies	-	83	-	-	83,299	37,497
Professional fees	-	16,193	-	-	308,324	249,590
Rent	-	-	-	-	2,400	2,400
Repairs and maintenance	-	-	-	-	92,342	70,993
Travel	-	-	-	-	12,515	8,788
Utilities	-	3,723	-	-	39,653	31,159
Wages and benefits	-	-	-	-	245,174	196,161
	39,893	24,188	-	60,810	1,908,049	1,790,149
<b>SURPLUS (DEFICIT) BEFORE TRANSFERS</b>	<b>(5,158)</b>	<b>530,821</b>	<b>422</b>	<b>(60,810)</b>	<b>(557,807)</b>	<b>3,089,271</b>
<b>TRANSFER FROM (TO) OTHER PROGRAMS</b>	<b>5,158</b>	<b>(530,821)</b>	<b>-</b>	<b>212,214</b>	<b>-</b>	<b>-</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>8,539</b>	<b>413,180</b>	<b>4,319,515</b>	<b>1,230,244</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ NIL</b>	<b>\$ NIL</b>	<b>\$ 8,961</b>	<b>\$ 564,584</b>	<b>\$ 3,761,708</b>	<b>\$ 4,319,515</b>