

Consolidated Financial Statements of

# **SUMAS FIRST NATION**

Year ended March 31, 2014

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

The accompanying consolidated financial statements of Sumas First Nation (the "First Nation") are the responsibility of management, and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The First Nation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Chief and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the First Nation. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the First Nation's consolidated financial statements.



*Chair, Finance Committee*



*Director of Finance*



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## **INDEPENDENT AUDITORS' REPORT**

To the Council and Members of Sumas First Nation

We have audited the accompanying consolidated financial statements of Sumas First Nation which comprise the consolidated statement of financial position as at March 31, 2014, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the 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 an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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



*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sumas First Nation as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Accountants

July 2, 2014

Chilliwack, British Columbia

# SUMAS FIRST NATION

## Consolidated Statement of Financial Position

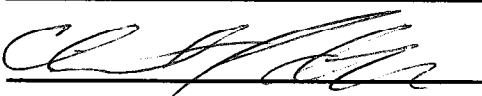
March 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets:</b>		
Cash (note 2)	\$ 469,869	\$ 516,566
Short-term investments (note 3)	2,758,428	2,429,775
Accounts receivable (note 4)	1,425,512	988,518
	4,653,809	3,934,859
<b>Restricted Assets:</b>		
Cash (note 2)	56,039	55,892
Equity in commercial enterprises (note 5)	2	1
	4,709,850	3,990,752
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	811,284	751,684
Deferred revenue	33,333	29,000
Long-term debt (note 6)	524,687	595,231
	1,369,304	1,375,915
<b>Net financial assets</b>	<b>3,340,546</b>	<b>2,614,837</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 7)	6,117,769	6,413,782
Prepaid expenses and deposits	304,434	313,624
Inventories	13,637	6,919
	6,435,840	6,734,325
<b>Accumulated surplus (note 8)</b>	<b>\$ 9,776,386</b>	<b>\$ 9,349,162</b>

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

On behalf of Chief and Council:

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councilor

# SUMAS FIRST NATION

## Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2014, with comparative information for 2013

	Budget (note 10)	2014	2013
<b>Federal Government - grants and transfers:</b>			
Aboriginal Affairs and Northern Development Canada	\$ 966,231	\$ 1,119,333	\$ 1,339,658
Health Canada	53,000	53,000	53,000
Government of Canada	800	-	4,000
First Nations Education Steering Committee	3,341	39,855	17,845
New Relationship Trust	2,500	7,000	-
<b>Other Government Sources:</b>			
Province of British Columbia	101,153	100,043	33,966
Sto:lo Nation	202,181	169,542	174,332
CMHC and housing charges	-	134,545	130,409
<b>First Nation:</b>			
Property taxation	186,410	288,943	267,456
Lease, interest and other income	388,725	448,326	770,922
Commercial enterprises	291,180	283,186	266,833
<b>Government - contracts for service:</b>			
Aboriginal Affairs and Northern Development Canada	4,846,000	5,204,830	5,000,000
Government of Canada Department of Fisheries	659,100	665,970	659,220
<b>Total revenue</b>	<b>7,700,621</b>	<b>8,514,573</b>	<b>8,717,641</b>
<b>Expenses:</b>			
Education Programs	254,116	296,620	303,735
Social Development	170,508	224,898	185,487
Health Services	224,071	215,886	215,941
Community Services & Member Benefits	255,747	235,155	402,393
Administration and technical service	568,456	337,743	201,767
Band Government	153,600	154,348	141,064
Public works and village operations	188,037	187,393	150,779
Lands Management	266,797	332,945	465,823
Commercial Enterprises	309,540	290,133	403,776
Economic development	145,796	210,785	79,324
Aboriginal Affairs - contracts	4,782,000	4,597,846	4,370,055
Government of Canada - Contract	659,100	603,339	649,970
Social Housing	-	61,696	93,799
Capital Projects	-	42,674	105,522
Amortization of tangible capital assets	-	365,655	368,578
Gain on disposal of tangible capital assets	-	(125)	(14,700)
Expenses capitalized	-	(69,642)	(103,042)
<b>Total expenses</b>	<b>7,977,768</b>	<b>8,087,349</b>	<b>8,020,271</b>
<b>Annual surplus (deficit)</b>	<b>(277,147)</b>	<b>427,224</b>	<b>697,370</b>
<b>Accumulated surplus, beginning of year</b>	<b>9,349,162</b>	<b>9,349,162</b>	<b>8,651,792</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 9,072,015</b>	<b>\$ 9,776,386</b>	<b>\$ 9,349,162</b>

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

# SUMAS FIRST NATION

## Consolidated Statement of Change in Net Financial Assets

Year ended March 31, 2014, with comparative information for 2013

	Budget (note 10)	2014	2013
Annual surplus (deficit)	(277,147)	\$ 427,224	\$ 697,370
<b>Tangible Capital Assets:</b>			
Acquisition of tangible capital assets	-	(69,642)	(103,042)
Amortization of tangible capital assets	-	365,655	368,578
Proceeds on disposal of tangible capital assets	-	125	14,700
Gain on disposal of tangible capital assets	-	(125)	(14,700)
	-	296,013	265,536
Change in inventories	-	(6,718)	1,055
Change in prepaid expenses and deposits	-	9,190	(70,358)
	-	2,472	(69,303)
Change in net financial assets	(277,147)	725,709	893,603
Net financial assets, beginning of year	2,614,837	2,614,837	1,721,234
Net financial assets, end of year	2,337,690	\$ 3,340,546	\$ 2,614,837

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

# SUMAS FIRST NATION

## Consolidated Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 427,224	\$ 697,370
Items not involving cash:		
Amortization of tangible capital assets	365,655	368,578
Gain on disposal of tangible capital assets	(125)	(14,700)
Change in non-cash working capital:		
Accounts receivable	(436,994)	190,376
Inventories	(6,718)	1,055
Accounts payable and accrued liabilities	59,600	(480,559)
Deferred revenue	4,333	(12,663)
Prepaid expenses and deposits	9,190	(70,358)
	422,165	679,099
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(69,642)	(103,042)
Proceeds on disposal of tangible capital assets	125	14,700
	(69,517)	(88,342)
<b>Investing activities:</b>		
Purchase of short-term investments	(328,653)	(326,066)
Addition to equity in commercial enterprises	(1)	-
	(328,654)	(326,066)
<b>Financing activities:</b>		
Repayment of long-term debt	(70,544)	(66,913)
	(70,544)	(66,913)
Increase (decrease) in cash	(46,550)	197,778
Cash, beginning of year	572,458	374,680
Cash, end of year (note 2)	\$ 525,908	\$ 572,458

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



# SUMAS FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2014

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### 1. Significant accounting policies:

The consolidated financial statements of Sumas First Nation (the "First Nation") are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the First Nation are as follows:

#### (a) Fund accounting:

The First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been consolidated for the purpose of presentation in the consolidated Financial Statements. Details of the operations of each fund are set out in the supplementary schedules. The First Nation maintains the following funds:

- The Operating Fund which reports the general activities of the First Nation administration.
- The Capital Fund which reports the tangible capital assets of the First Nation, together with their related financing, other than those included in the Social Housing Fund.
- The Social Housing Fund which reports the social housing assets of the First Nation, together with related activities.

#### (b) Reporting entity and principles of financial reporting:

The Sumas First Nation reporting entity includes the Sumas First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

Investments in incorporated business entities are included in the summary financial statements using the modified equity method. This includes Sumas Clay Products Ltd. (100% ownership) and SFN Renewable Energy Ltd. (100% ownership).

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

#### (c) Government transfers:

Government transfers received relate to social development, child care, housing and health programs. Government transfers paid relate to social services programs. Transfers are recognized in the financial statements as revenues or expenditures in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

# SUMAS FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 1. Significant accounting policies (continued):

### (d) Inventories:

Inventories are valued at average cost and consists of \$11,052 (2013 - \$4,933) in tobacco products and \$2,585 (2013 - \$1,986) in fuel.

### (e) Non-financial capital assets:

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

#### (i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Roads	30 - 40
Buildings, except social housing	10 - 60
Machinery and equipment	5 - 10
Land improvements	10 - 30
Vehicles	5
Water and waste water	15 - 80
Computer equipment	3

In accordance with Canada Mortgage and Housing Corporation policies, amortization of CMHC funded social housing is equal to the principal repayment on the related long-term debt. This policy is not in compliance with generally accepted accounting policies, however, the difference was determined not to have a material impact on the financial statements.

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

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

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

# SUMAS FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 1. Significant accounting policies (continued):

### (f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating collectibility of accounts receivable and the estimated useful lives of capital assets.

Actual results could differ from these estimates.

### (g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The First Nation has not elected to carry any such financial instruments at fair value.

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

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the First Nation determines if there is a significant adverse change in the expected amount of timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the First Nation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# SUMAS FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 2. Restricted assets:

Included in cash and short-term investments are the following restricted amounts:

	2014	2013
Non-restricted cash:		
Operating Fund	\$ 420,191	\$ 485,117
Social Housing Fund	49,678	31,449
	469,869	516,566
Externally restricted cash:		
Social Housing Fund	56,039	55,892
Total cash	525,908	572,458
Short-term investments (note 3)	2,758,428	2,429,775
	3,284,336	3,002,233
Less restricted for:		
Operating Reserves	1,578,406	1,556,527
Capital Replacement Reserves	310,323	291,051
Health Canada surplus funds	23,100	22,803
AANDC surplus funds	39,307	38,441
	1,951,136	1,908,822
Total funds available for operations	\$ 1,333,200	\$ 1,093,411

## 3. Short-term investments:

The market value of short-term investments is as follows:

	2014	2013
GICs	\$ 1,505,754	\$ -
BMO High Interest Savings	990,691	80
B2B Trust High Interest	261,983	258,601
AAT High Interest Savings	-	2,171,094
	\$ 2,758,428	\$ 2,429,775

# SUMAS FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 4. Accounts receivable:

Accounts receivable consists of the following:

	2014	2013
Due from band members:		
Loans to members	\$ 167,794	\$ 167,187
Due from a member	182,056	181,233
Tenant rent receivable	721,459	700,459
	1,071,309	1,048,879
Less allowance for doubtful accounts	(852,205)	(853,181)
	219,104	195,698
Due from others:		
Aboriginal Affairs and Northern Development Canada	375,000	127,567
Westcoast Mobile	286,841	239,649
Pattison signs	276,506	143,687
Alpha Asphalt	146,986	116,034
Sto:Lo Nation	88,800	47,032
Clayburn Industries	47,643	47,509
Trans Canada displays	45,647	28,169
Government of Canada	39,226	107,302
Other small amounts	27,512	34,269
Sumas Clay Products Ltd.	25,978	20,752
First Nations Fisheries Society	24,476	-
Equipment lease settlement	20,984	-
Heppell's Potato Corp	12,811	-
First Nations Education Steering Committee	9,842	316
Ottawa Trust	7,045	6,140
Canadian Mortgage and Housing Corporation	3,359	3,359
HST receivable	1,063	890
BC Hydro	-	102,480
	1,439,719	1,025,155
Less allowance for doubtful accounts	(233,311)	(232,335)
	1,206,408	792,820
	\$ 1,425,512	\$ 988,518

# SUMAS FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 5. Investment in First Nation Controlled Enterprises:

	2014	2013
Sumas Clay Products Ltd. (100%)	\$ 1	\$ 1
SFN Renewable Energy Ltd (100%)	1	-
	\$ 2	\$ 1

The 2014 and 2013 financial information for Sumas Clay Products Ltd. is not readily available and accordingly summary financial information has not been disclosed.

SFN Renewable Energy Ltd. is an inactive company and, accordingly, there is no summary financial information to disclose.

## 6. Long-term debt:

	2014	2013
Mortgage payable with monthly payments of \$1,931 including interest at 2.35% per annum, maturing September 1, 2018; secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on six housing units	\$ 194,136	\$ 212,178
Loan payable, unsecured without interest or repayment terms	203,417	203,417
Mortgage payable with monthly payments of \$2,254 including interest at 1.62% per annum, maturing July 1, 2018; secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on six housing units	113,118	138,116
Mortgage payable with monthly payments of \$2,353 including interest at 2.57% per annum, maturing September 1, 2014; secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on six housing units	14,016	41,520
	\$ 524,687	\$ 595,231

# SUMAS FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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

Scheduled principal repayments for the next five years are:

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2015	\$	57,064
2016	\$	44,592
2017	\$	46,192
2018	\$	47,851
2019	\$	125,572

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# SUMAS FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 7. Tangible capital assets:

Cost	Balance March 31, 2013	Additions	Disposals	Balance March 31, 2014
Water and waste water	\$ 4,727,809	\$ -	\$ -	\$ 4,727,809
Roads	883,752	-	-	883,752
Buildings	3,841,423	40,925	-	3,882,348
Machinery and equipment	498,277	7,017	-	505,294
Land improvements	482,216	-	-	482,216
Vehicles	476,798	15,228	-	492,026
Computer equipment	112,440	6,472	-	118,912
Social housing	1,854,213	-	-	1,854,213
<b>Total</b>	<b>\$ 12,876,928</b>	<b>\$ 69,642</b>	<b>\$ -</b>	<b>\$ 12,946,570</b>

Accumulated amortization	Balance March 31, 2013	Disposals	Amortization expense	Balance March 31, 2014
Water and waste water	\$ 1,964,842	\$ -	\$ 60,814	\$ 2,025,656
Roads	381,974	-	22,094	404,068
Buildings	2,085,525	-	92,434	2,177,959
Machinery and equipment	452,390	-	30,632	483,022
Land improvements	199,872	-	30,649	230,521
Vehicles	426,032	-	28,741	454,773
Computer equipment	53,051	-	22,851	75,902
Social housing	899,460	-	77,440	976,900
<b>Total</b>	<b>\$ 6,463,146</b>	<b>\$ -</b>	<b>\$ 365,655</b>	<b>\$ 6,828,801</b>

	Net book value March 31, 2013	Net book value March 31, 2014
Water and waste water	\$ 2,762,967	\$ 2,702,153
Roads	501,778	479,684
Buildings	1,755,898	1,704,389
Machinery and equipment	45,887	22,272
Land improvements	282,344	251,695
Vehicles	50,766	37,253
Computer equipment	59,389	43,010
Social housing	954,753	877,313
<b>Total</b>	<b>\$ 6,413,782</b>	<b>\$ 6,117,769</b>



# SUMAS FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 8. Accumulated surplus:

Accumulated surplus consists of individual fund surplus, invested in tangible assets and reserve funds as follows:

	2014	2013
<b>Surplus:</b>		
Unrestricted equity in funds	\$ 4,089,411	\$ 3,153,289
<b>Surplus associated with tangible capital assets:</b>		
Invested in tangible capital assets	5,593,082	6,021,968
<b>Reserve funds set aside by statutory requirements:</b>		
Replacement reserve fund (Note 9)	93,893	173,905
	<b>\$ 9,776,386</b>	<b>\$ 9,349,162</b>

## 9. Replacement reserve fund:

In accordance with the terms and conditions of the Operating Agreement with Canada Mortgage and Housing Corporation, Sumas First Nation Non-Profit Housing must set aside funds annually for the non-annual expenditures of the Program for the repair maintenance and replacement of worn out assets.

These funds are to be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund.

A continuity of the required funds is as follows:

	2014	2013
<b>Replacement reserve fund:</b>		
Opening balance	\$ 173,905	\$ 203,017
Contributions	20,921	6,168
Removal for loans paid out prior to 2014	(96,685)	-
Replacement reserve expenditures	(4,248)	(35,280)
<b>Closing balance</b>	<b>93,893</b>	<b>173,905</b>

As at March 31, 2014, cash and term deposits required to fund the Old Replacement Reserve Fund were deficient by \$28,182 (2013 - \$111,812).

# SUMAS FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## **9. Replacement reserve fund to related company (continued):**

As at March 31, 2014, cash and term deposits required to fund the 1997 Replacement Reserve Fund were deficient by \$27,790 (2013 - \$24,275).

## **10. Budget data:**

The budget data presented in these consolidated financial statements is based upon the 2014 operating and capital budgets. These budgets have been approved by Council. Amortization was not contemplated on development of the budget and, as such, has not been included.

## **11. Economic dependence:**

The First Nation receives a major portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

## **12. Comparative figures:**

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

## **13. Segmented information:**

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. The following table presents the expenses incurred and the revenue generated by each main object of expense and by major revenue type. The segment results for the period are as follows:

**SUMAS FIRST NATION**  
Notes to Consolidated Financial Statements  
Year ended March 31, 2014

Table of Segmented Information:

	Education	Social Development	Health & Community Wellness	Community Services & Economic Activities	Administration & General Government	Public Works & Village Maintenance	Lands Management	Social Housing	Federal Government Contracts	Other	2014	2013
<b>Revenues</b>												
Federal government	\$ 266,593	\$ 200,205	\$ 2,559	\$ 40,401	\$ 244,162	\$ 104,174	\$ 366,932	\$ -	\$ -	\$ (773)	\$ 1,224,253	\$ 1,416,868
Provincial government & other	2,888	-	179,683	3,164	-	-	97,153	134,545	-	-	417,433	523,388
First Nation economic activities	10,901	-	-	969,039	6,230	5,134	10,783	-	-	-	1,002,087	1,122,315
Federal government - contracts	-	-	-	-	-	-	-	-	5,204,830	665,970	5,870,800	5,655,070
	280,382	200,205	182,242	1,012,604	250,392	109,308	474,868	134,545	5,204,830	665,197	8,514,573	8,717,641
<b>Expenses</b>												
Operating expenses	43,011	5,854	54,101	279,670	545,296	114,375	17,463	61,696	319,697	52,885	1,494,048	883,255
Program & services expenses	121,910	194,961	73,646	323,753	(432,422)	-	238,402	-	4,278,149	550,454	5,348,853	6,462,819
Salaries, wages & benefits	131,699	24,083	88,139	132,650	379,217	73,018	77,080	-	-	-	905,886	317,839
Capital projects	-	-	-	-	-	-	-	-	-	42,674	42,674	105,522
Amortization of tangible capital assets	-	-	-	-	365,655	-	-	-	-	-	365,655	368,578
Gain on disposal of tangible capital assets	-	-	-	-	(125)	-	-	-	-	-	(125)	(14,700)
Expenses capitalized	-	-	-	-	(69,642)	-	-	-	-	-	(69,642)	(103,042)
	296,620	224,898	215,886	736,073	787,979	187,393	332,945	61,696	4,597,846	646,013	8,087,349	8,020,271
Annual surplus (deficit)	\$ (16,238)	\$ (24,693)	\$ (33,644)	\$ 276,531	\$ (537,587)	\$ (78,085)	\$ 141,923	\$ 72,849	\$ 606,984	\$ 19,184	\$ 427,224	\$ 697,370