

Consolidated Financial Statements of

## **CHAWATHIL FIRST NATION**

Year ended March 31, 2015

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

The accompanying consolidated financial statements of Chawathil First Nation (the "First Nation") are the responsibility of management, and have been prepared in compliance with legislation, and in accordance with public sector accounting standards established by the Public Sector Accounting Board of The Canadian Institute of Chartered Professional 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.



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*Rose Peters*  
Chair, Finance Committee



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*[Signature]*  
Director of Finance



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## INDEPENDENT AUDITORS' REPORT

To the Council and Members of Chawathil First Nation

We have audited the accompanying consolidated financial statements of Chawathil First Nation which comprise the consolidated statement of financial position as at March 31, 2015, the consolidated statements of operations and accumulated surplus, change in net financial debt 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 Chawathil First Nation as at March 31, 2015, 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 Professional Accountants

November 26, 2015  
Chilliwack, British Columbia

# CHAWATHIL FIRST NATION

## Consolidated Statement of Financial Position

March 31, 2015, with comparative information for 2014

|   | 2015         | 2014         |
|---|--------------|--------------|
| <b>Financial assets:</b>                            |              |              |
| Cash and cash equivalents                           | \$ 570,496   | \$ 820,434   |
| Accounts receivable (note 2)                        | 819,620      | 598,175      |
| Trust funds held by the Federal Government (note 3) | 30,140       | 18,874       |
|   | 1,420,256    | 1,437,483    |
| <b>Restricted Assets:</b>                           |              |              |
| Cash (note 7)                                       | 91,378       | 103,645      |
|   | 1,511,634    | 1,541,128    |
| <b>Financial liabilities:</b>                       |              |              |
| Cheques issued in excess of funds on deposit        | 128,151      | 119,686      |
| Accounts payable and accrued liabilities            | 491,555      | 678,175      |
| Deferred revenue                                    | 3,619        | 3,619        |
| Long-term debt (note 4)                             | 2,808,051    | 3,002,918    |
|   | 3,431,376    | 3,804,398    |
| Net debt  | (1,919,742)  | (2,263,270)  |
| <b>Non-financial assets:</b>                        |              |              |
| Tangible capital assets (note 5)                    | 6,901,667    | 7,233,303    |
| Prepaid expenses and deposits                       | 27,083       | 32,505       |
| Inventories   | 2,712        | 2,712        |
|   | 6,931,462    | 7,268,520    |
| Contingencies (note 12)                             |              |              |
| Accumulated surplus (note 6)                        | \$ 5,011,720 | \$ 5,005,250 |

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

On behalf of Chief and Council:

Re. Latoris

Councillor

# CHAWATHIL FIRST NATION

## Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2015, with comparative information for 2014

|  | 2015             | 2014             |
|--|------------------|------------------|
| (Budget - note 8)                                  |                  |                  |
| <b>Federal Government - grants and transfers:</b>  |                  |                  |
| Aboriginal Affairs and Northern Development Canada | \$ 2,369,326     | \$ 2,199,394     |
| Health Canada                                      | 103,699          | 107,418          |
| First Nations Schools Association                  | 61,764           | 124,199          |
| <b>Other Government Sources:</b>                   |                  |                  |
| Canada Mortgage and Housing Corporation            | 94,471           | 98,004           |
| <b>First Nation:</b>                               |                  |                  |
| Property Taxation                                  | 515,027          | 510,532          |
| Rental   | 298,014          | 314,391          |
| <b>Government - contracts for service:</b>         |                  |                  |
| Other  | 1,045,304        | 921,252          |
| <br>Total revenue                                  | <br>4,487,605    | <br>4,275,190    |
| <br>Expenses:                                      |                  |                  |
| Administration and General Operations              | 501,486          | 616,623          |
| Capital and Maintenance Operations                 | 215,790          | 258,831          |
| Capital program                                    | 427,102          | 449,021          |
| Child development and child care                   | 122,765          | 113,964          |
| Economic development                               | 529,098          | 354,192          |
| Education department                               | 1,232,126        | 1,263,977        |
| Health Services                                    | 134,766          | 123,027          |
| Property taxation                                  | 256,382          | 245,782          |
| Social development                                 | 636,500          | 638,505          |
| Social Housing                                     | 425,120          | 365,483          |
| <br>Total expenses                                 | <br>4,481,135    | <br>4,429,405    |
| <br>Surplus (Deficit)                              | <br>6,470        | <br>(154,215)    |
| <br>Accumulated surplus, beginning of year         | <br>5,005,250    | <br>5,159,465    |
| <br>Accumulated surplus, end of year               | <br>\$ 5,011,720 | <br>\$ 5,005,250 |

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

# CHAWATHIL FIRST NATION

## Consolidated Statement of Change in Net Financial Debt

Year ended March 31, 2015, with comparative information for 2014

|   | 2015                  | 2014                  |
|---|-----------------------|-----------------------|
| Annual Surplus (deficit)                        | \$ 6,470              | \$ (154,215)          |
| <b>Tangible Capital Assets:</b>                 |                       |                       |
| Acquisition of tangible capital assets          | (249,793)             | (5,836)               |
| Gain on disposal of tangible capital assets     | (4,000)               | -                     |
| Proceeds on disposal of tangible capital assets | 4,000                 | -                     |
| Amortization of tangible capital assets         | 581,429               | 574,516               |
|   | 331,636               | 568,680               |
| Change in inventories                           | -                     | 130                   |
| <u>Change in prepaid expenses and deposits</u>  | <u>5,422</u>          | <u>(1,845)</u>        |
|   | 5,422                 | (1,715)               |
| Change in net financial debt                    | 343,528               | 412,750               |
| Net debt, beginning of year                     | (2,263,270)           | (2,676,020)           |
| <u>Net debt, end of year</u>                    | <u>\$ (1,919,742)</u> | <u>\$ (2,263,270)</u> |

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

# CHAWATHIL FIRST NATION

## Consolidated Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

|  | 2015                        | 2014         |
|--|-----------------------------|--------------|
| Cash provided by (used in):                  |                             |              |
| <b>Operating activities:</b>                 |                             |              |
| Annual surplus (deficit)                     | \$ 6,470                    | \$ (154,215) |
| Item not involving cash:                     |                             |              |
| Amortization of tangible capital assets      | 581,429                     | 574,516      |
| Gain on sale of tangible capital assets      | (4,000)                     | -            |
| Change in non-cash working capital:          |                             |              |
| Accounts receivable                          | (221,445)                   | (163,147)    |
| Inventories                                  | -                           | 130          |
| Prepaid expenses and deposits                | 5,421                       | (1,845)      |
| Accounts payable and accrued liabilities     | (186,619)                   | (3,391)      |
| Deferred revenue                             | -                           | 66           |
|  | 181,256                     | 252,114      |
| <b>Capital activities:</b>                   |                             |              |
| Acquisition of tangible capital assets       | (249,793)                   | (5,836)      |
| Proceeds on sale of tangible capital assets  | 4,000                       | -            |
|  | (245,793)                   | (5,836)      |
| <b>Investing activities:</b>                 |                             |              |
| Funds held by federal government             | (11,266)                    | 74,382       |
| <b>Financing activities:</b>                 |                             |              |
| Debt repaid                                  | (194,867)                   | (238,946)    |
|  | Increase (decrease) in cash | 81,714       |
|  | Cash, beginning of year     | 722,679      |
|  | Cash, end of year           | \$ 533,723   |
| Made up of:                                  |                             |              |
| Cash and cash equivalents                    | \$ 570,496                  | \$ 820,434   |
| Restricted cash                              | 91,378                      | 103,645      |
| Cheques issued in excess of funds on deposit | (128,151)                   | (119,686)    |
|  | \$ 533,723                  | \$ 804,393   |

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

# CHAWATHIL FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2015

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### 1. Significant accounting policies:

The consolidated financial statements of Chawathil First Nation (the “First Nation”) are prepared by management in accordance with public sector accounting standards as recommended by the Public Sector Accounting Board (“PSAB”) of the Canadian Institute of Chartered Professional 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 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.
- The Trust Fund which reports on trust funds owned by the First Nation and held by a third party.

#### (b) Revenue recognition:

Government transfers received relate to education, 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.

Rental income, property tax and other income are reported as revenue in the month to which the amounts relate and collection is reasonably assured.

#### (c) Inventories:

Inventories are valued at lower of cost and net realizable value.

# CHAWATHIL FIRST NATION

## Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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### 1. Significant accounting policies (continued):

#### (d) 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 |
|--|---------------------|
| Automotive and farm machinery          | 10                  |
| Buildings                              | 20                  |
| Buildings - modular units              | 25                  |
| Computer and office equipment          | 5                   |
| Infrastructure                         | 20                  |
| Playground and campsite equipment      | 10                  |
| Daycare and community center equipment | 5                   |

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 public sector accounting standards, 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.

# CHAWATHIL FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 1. Significant accounting policies (continued):

### (e) 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, provisions for accrued liabilities and the estimated useful lives of capital assets.

Actual results could differ from these estimates.

## 2. Accounts receivable:

Accounts receivable consists of the following:

|  | 2015             | 2014             |
|--|------------------|------------------|
| Due from band members:                             |                  |                  |
| Tenant rent receivable                             | \$ 511,814       | \$ 541,242       |
| <u>Loans to members</u>                            | 206,227          | 210,611          |
|  | 718,041          | 751,853          |
| <u>Less allowance for doubtful accounts</u>        | (640,427)        | (661,639)        |
|  | 77,614           | 90,214           |
| Due from others:                                   |                  |                  |
| Property tax receivable                            | 432,402          | 411,480          |
| Aboriginal Affairs and Northern Development Canada | 466,227          | 168,278          |
| Other  | 99,252           | 161,126          |
| <u>Canadian Mortgage and Housing Corporation</u>   | 52,510           | 55,023           |
|  | 1,050,391        | 795,907          |
| <u>Less allowance for doubtful accounts</u>        | (308,385)        | (287,946)        |
|  | 742,006          | 507,961          |
|  | <hr/> \$ 819,620 | <hr/> \$ 598,175 |

# CHAWATHIL FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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### 3. Trust funds held by the Federal Government:

Trust fund accounts arise from moneys derived from capital or revenue sources as outline in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

|                      | Opening<br>Balance | Additions        | Withdrawals | 2015 Total       | 2014 Total    |
|----------------------|--------------------|------------------|-------------|------------------|---------------|
| Revenue \$           | 11,359 \$          | 11,266 \$        | - \$        | 22,625 \$        | 11,359        |
| Capital              | 7,515              | -                | -           | 7,515            | 7,515         |
| <b>Fund Total \$</b> | <b>18,874 \$</b>   | <b>11,266 \$</b> | <b>- \$</b> | <b>30,140 \$</b> | <b>18,874</b> |

# CHAWATHIL FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 4. Long-term debt:

|   | 2015         | 2014         |
|---|--------------|--------------|
| Community Centre - Peace Hills Trust; repayable in blended monthly payments of \$9,200, including interest at prime plus 2% per annum; due September 1, 2018        | \$ 1,234,039 | \$ 1,272,280 |
| Modular Housing - Peace Hills Trust; repayable in blended monthly payments of \$2,630, including interest at 4.15% per annum; due July 1, 2018                      | 405,649      | 417,363      |
| Non-Profit Housing Phase XII - C.M.H.C.; repayable in blended monthly payments of \$2,283, including interest at 1.71% per annum; due for renewal September 1, 2017 | 304,524      | 326,527      |
| Non-Profit Housing Phase X - C.M.H.C.; repayable in blended monthly payments of \$2,295, including interest at 2.63% per annum; due for renewal June 1, 2016        | 263,043      | 283,416      |
| Non-Profit Housing Phase XI - C.M.H.C.; repayable in blended monthly payments of \$1,679, including interest at 1.53% per annum; due for renewal December 1, 2017   | 230,605      | 247,104      |
| Renovation loan-Peace Hills Trust; repayable in blended monthly payments of \$1,850, including interest at 4.15% per annum; due July 1, 2018                        | 150,829      | 164,483      |
| Non-Profit Housing Phase IX - C.M.H.C.; repayable in blended monthly payments of \$2,486, including interest at 1.83% per annum; due for renewal October 1, 2019    | 131,072      | 157,819      |
| Non-Profit Housing Phase VII - C.M.H.C.; repayable in blended monthly payments of \$1,459, including interest at 2.69% per annum; due for renewal August 1, 2015    | 80,552       | 95,679       |
| Non-Profit Housing Phase VIII - C.M.H.C.; repayable in blended monthly payments of \$2,595, including interest at 2.61% per annum; due for renewal June 1, 2015     | 7,738        | 38,247       |
|   | <hr/>        | <hr/>        |
|   | \$ 2,808,051 | \$ 3,002,918 |

# CHAWATHIL FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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

On the basis the loans are renewed on their maturity dates, the scheduled principal repayments for the next five years and thereafter are as follows:

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|            |              |
|------------|--------------|
| 2016       | \$ 275,165   |
| 2017       | \$ 269,554   |
| 2018       | \$ 271,797   |
| 2019       | \$ 1,407,820 |
| 2020       | \$ 97,632    |
| Thereafter | \$ 486,083   |

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# CHAWATHIL FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 5. Tangible capital assets:

| Cost                                   | Balance<br>March 31,<br>2014 | Additions         | Disposals          | Balance<br>March 31,<br>2015 |
|--|------------------------------|-------------------|--------------------|------------------------------|
| Automotive and farm equipment          | \$ 365,495                   | \$ 2,574          | \$ (35,000)        | \$ 333,069                   |
| Buildings                              | 5,745,446                    | 1,644             | -                  | 5,747,090                    |
| Computer and office equipment          | 289,371                      | 28,240            | -                  | 317,611                      |
| Daycare and community center equipment | 80,544                       | 2,917             | -                  | 83,461                       |
| Infrastructure                         | 669,022                      | 214,418           | -                  | 883,440                      |
| Playground and campsite equipment      | 70,721                       | -                 | -                  | 70,721                       |
| Social housing                         | 5,806,440                    | -                 | -                  | 5,806,440                    |
| <b>Total</b>                           | <b>\$ 13,027,039</b>         | <b>\$ 249,793</b> | <b>\$ (35,000)</b> | <b>\$ 13,241,832</b>         |

| Accumulated amortization               | Balance<br>March 31,<br>2014 | Disposals          | Amortization<br>expense | Balance<br>March 31,<br>2015 |
|--|------------------------------|--------------------|-------------------------|------------------------------|
| Automotive and farm equipment          | \$ 311,245                   | \$ (35,000)        | \$ 8,007                | \$ 284,252                   |
| Buildings                              | 1,648,409                    | -                  | 278,656                 | 1,927,065                    |
| Computer and office equipment          | 267,386                      | -                  | 13,767                  | 281,153                      |
| Daycare and community center equipment | 77,351                       | -                  | 2,976                   | 80,327                       |
| Infrastructure                         | 257,610                      | -                  | 37,926                  | 295,536                      |
| Playground and campsite equipment      | 65,378                       | -                  | 715                     | 66,093                       |
| Social housing                         | 3,166,357                    | -                  | 239,382                 | 3,405,739                    |
| <b>Total</b>                           | <b>\$ 5,793,736</b>          | <b>\$ (35,000)</b> | <b>\$ 581,429</b>       | <b>\$ 6,340,165</b>          |

|  | Net book value<br>March 31,<br>2014 | Net book value<br>March 31,<br>2015 |
|--|-------------------------------------|-------------------------------------|
| Automotive and farm equipment          | \$ 54,250                           | \$ 48,817                           |
| Buildings                              | 4,097,037                           | 3,820,025                           |
| Computer and office equipment          | 21,985                              | 36,458                              |
| Daycare and community center equipment | 3,193                               | 3,134                               |
| Infrastructure                         | 411,412                             | 587,904                             |
| Playground and campsite equipment      | 5,343                               | 4,628                               |
| Social housing                         | 2,640,083                           | 2,400,701                           |
| <b>Total</b>                           | <b>\$ 7,233,303</b>                 | <b>\$ 6,901,667</b>                 |

# CHAWATHIL FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 6. Accumulated surplus:

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

|   | 2015               | 2014               |
|---|--------------------|--------------------|
| <b>Surplus:</b>   |                    |                    |
| Unrestricted equity in funds                              | \$ 574,634         | \$ 441,529         |
| <b>Surplus associated with tangible capital assets:</b>   |                    |                    |
| Invested in tangible capital assets                       | 4,093,616          | 4,230,385          |
| <b>Reserve funds set aside by statutory requirements:</b> |                    |                    |
| Trust funds held by Federal Government - capital          | 7,515              | 7,515              |
| Replacement reserve fund (note 7)                         | 335,955            | 325,821            |
|   | <hr/> \$ 5,011,720 | <hr/> \$ 5,005,250 |

# CHAWATHIL FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 7. Replacement reserve fund:

In accordance with the terms and conditions of the Operating Agreement with Canada Mortgage and Housing Corporation, Chawathil 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:

|                                    | 2015           | 2014           |
|------------------------------------|----------------|----------------|
| Replacement reserve fund:          |                |                |
| Opening balance                    | \$ 325,821     | \$ 410,326     |
| Contributions                      | 34,140         | 36,917         |
| Adjustment for phases paid in full | -              | (101,465)      |
| Replacement reserve expenditures   | (24,006)       | (19,957)       |
| <br>Closing balance                | <br>\$ 335,955 | <br>\$ 325,821 |

As at March 31, 2015, cash and term deposits required to fund the Pre-1997 Replacement Reserve Fund were over funded by \$26,753 (2014 - 22,685).

As at March 31, 2015, cash and term deposits required to fund the 1997 Replacement Reserve Fund were deficient by \$268,330 (2014 - \$244,361).

## 8. Budget data:

The First Nation is required to present budget data for revenues and expenses. No budget was prepared, accordingly there is no budget data to present.

## 9. Economic dependence:

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

# **CHAWATHIL FIRST NATION**

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## **10. Comparative figures:**

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

## **11. Financial instruments:**

The First Nation, as part of its operations, carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial statements except as otherwise disclosed.

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities and long-term debt approximate their fair value due to the relatively short periods to maturity of these items.

## **12. Contingencies:**

The First Nation is contingently liable for guarantees it has placed for certain loans made by financial institutions to its members. At year-end the principal amount owing for which the First Nation is contingently liable is \$103,819 (2014 - \$103,582). Management considers these loans to be in good standing, therefore, does not consider payment of this contingent liability to be likely, no amounts have been accrued in these financial statements.

## **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:

# Chawathil First Nation

Notes to Consolidated Financial Statements (continued)

Year ended 2015

## 13. Segmented Information (continued):

|   | Administration<br>& General<br>Operations | Child<br>Development &<br>Child Care | Social<br>Development | Social<br>Housing | Education<br>Department | Property<br>Taxation | Economic<br>Development | Capital and<br>Maintenance<br>Operations | Capital<br>Program | Health<br>Services | 2015         | 2014         |
|---|---|--------------------------------------|-----------------------|-------------------|-------------------------|----------------------|-------------------------|--|--------------------|--------------------|--------------|--------------|
| <b>Revenues</b>                         |   |                                      |                       |                   |                         |                      |                         |  |                    |                    |              |              |
| Federal government                      | \$ 278,356                                | \$ 69,099                            | \$ 634,839            | \$ 94,471         | \$ 1,030,070            | \$ -                 | \$ 26,611               | \$ 325,867                               | \$ 4,485           | \$ 2,463,797       | \$ 2,297,398 |              |
| Other government sources                | -   | -                                    | -                     | -                 | 61,764                  | -                    | 165,892                 | -  | 40,052             | 267,708            | 589,905      |              |
| First Nation economic activities        | 38,250                                    | 89,990                               | -                     | 298,014           | -                       | -                    | -                       | -  | -                  | 426,254            | 388,879      |              |
| Other revenue                           | 131,854                                   | -                                    | -                     | -                 | 139,212                 | -                    | 400,000                 | 74,208                                   | 5,148              | 64,398             | 814,820      |              |
| Property tax and land use fees          | -   | -                                    | -                     | -                 | -                       | 515,027              | -                       | -  | -                  | 515,027            | 510,532      |              |
|   | 448,459                                   | 159,089                              | 634,839               | 392,485           | 1,231,046               | 515,027              | 592,503                 | 74,208                                   | 331,014            | 108,935            | 4,487,605    | 4,275,190    |
| <b>Expenses</b>                         |   |                                      |                       |                   |                         |                      |                         |  |                    |                    |              |              |
| Amortization                            | -   | -                                    | -                     | 239,382           | -                       | -                    | -                       | -  | 342,047            | -                  | 581,429      | 574,516      |
| Bad debts                               | -   | -                                    | -                     | 46,245            | -                       | 20,439               | -                       | -  | -                  | -                  | 66,684       | 11,104       |
| Consulting fees                         | 10,848                                    | -                                    | -                     | -                 | -                       | -                    | -                       | -  | -                  | 27,392             | 38,240       | 25,113       |
| Funeral expenses                        | -   | -                                    | 525                   | -                 | -                       | -                    | -                       | -  | -                  | -                  | 525          | 3,026        |
| Gain on sale of tangible capital assets | -   | -                                    | -                     | -                 | -                       | -                    | -                       | -  | (4,000)            | -                  | (4,000)      | -            |
| Insurance                               | 13,468                                    | -                                    | -                     | 26,418            | -                       | 30,101               | 2,489                   | 13,372                                   | -                  | -                  | 85,848       | 95,869       |
| Interest and bank charges               | 11,611                                    | -                                    | 801                   | 23,689            | -                       | 1,091                | 1,762                   | -  | 89,055             | -                  | 128,010      | 149,822      |
| Living allowances                       | 2,080                                     | 494                                  | 588,736               | -                 | 191,396                 | 44,327               | 3,351                   | -  | -                  | -                  | 830,385      | 841,591      |
| Materials, books and supplies           | 39,758                                    | 67,349                               | 1,073                 | 18,462            | 78,008                  | 35,043               | 150,125                 | 70,306                                   | -                  | 9,295              | 469,419      | 471,540      |
| Miscellaneous                           | -   | -                                    | -                     | -                 | -                       | 21,951               | -                       | -  | -                  | -                  | 21,951       | 36,337       |
| Office and general                      | 1,022                                     | -                                    | 789                   | 82                | -                       | -                    | 3,268                   | -  | -                  | -                  | 5,161        | 1,856        |
| Professional fees                       | 29,200                                    | -                                    | -                     | 15,000            | -                       | 5,000                | 104,528                 | 12,827                                   | -                  | -                  | 166,555      | 60,525       |
| Repairs and maintenance                 | -   | -                                    | -                     | -                 | -                       | -                    | 4,664                   | 33,156                                   | -                  | -                  | 37,820       | 21,426       |
| Replacement reserve expense             | -   | -                                    | -                     | 24,006            | -                       | -                    | -                       | -  | -                  | -                  | 24,006       | 19,957       |
| Salaries and benefits                   | 313,620                                   | 45,203                               | 41,035                | 27,126            | 130,843                 | 92,023               | 228,222                 | 44,292                                   | -                  | 90,940             | 1,013,305    | 1,089,139    |
| Travel                                  | 69,730                                    | 6,846                                | 2,614                 | 3,764             | 11,316                  | 2,088                | 23,522                  | 12,710                                   | -                  | 6,292              | 138,881      | 140,154      |
| Tuition and workshops                   | -   | -                                    | -                     | -                 | 819,635                 | -                    | -                       | -  | -                  | -                  | 819,635      | 821,759      |
| Utilities                               | 10,149                                    | 2,873                                | 927                   | 946               | 927                     | 4,318                | 7,167                   | 29,126                                   | -                  | 848                | 57,281       | 65,671       |
|   | 501,486                                   | 122,765                              | 636,500               | 425,120           | 1,232,126               | 256,382              | 529,098                 | 215,790                                  | 427,102            | 134,766            | 4,481,135    | 4,429,405    |
| Annual surplus (deficit)                | \$ (53,027)                               | \$ 36,323                            | \$ (1,661)            | \$ (32,634)       | \$ (1,080)              | \$ 258,645           | \$ 63,404               | \$ (141,582)                             | \$ (96,088)        | \$ (25,831)        | \$ 6,470     | \$ (154,215) |