

BRIDGE RIVER INDIAN BAND
Consolidated Financial Statements
Year Ended March 31, 2016

BRIDGE RIVER INDIAN BAND
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Year Ended March 31, 2016

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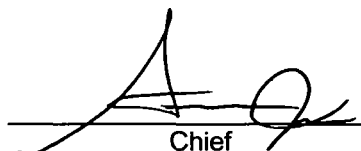
Management's Responsibility for Financial Reporting

The consolidated financial statements of BRIDGE RIVER INDIAN BAND have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

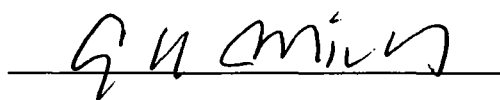
The integrity and reliability of BRIDGE RIVER INDIAN BAND's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Chief and Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Chief and Council carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Chief and Council and meets periodically with management and the auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Chief and Council prior to its approval of the financial statements. The Committee also considers, for review by the Chief and Council, the engagement or re-appointment of the external auditors.


The consolidated financial statements have been audited on behalf of the members by ANTON, BRYSON & SCHINDLER CHARTERED PROFESSIONAL ACCOUNTANTS LLP, in accordance with Canadian generally accepted auditing standards.



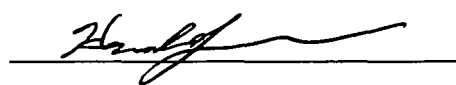
Chief



G. H. Miller



Councillor



H. H. H. H.

Lillooet, BC
July 28, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of BRIDGE RIVER INDIAN BAND

We have audited the accompanying consolidated financial statements of BRIDGE RIVER INDIAN BAND, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of revenues and expenditures, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

(continues)

Independent Auditor's Report to the Members of BRIDGE RIVER INDIAN BAND *(continued)*

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of BRIDGE RIVER INDIAN BAND as at March 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.




White Rock, British Columbia
July 29, 2016


CHARTERED PROFESSIONAL ACCOUNTANTS LLP

BRIDGE RIVER INDIAN BAND
Consolidated Statement of Financial Position
March 31, 2016

	2016	2015
FINANCIAL ASSETS		
Cash	\$ 1,079,970	\$ 849,468
Restricted cash	572,323	565,047
Accounts receivable	770,264	868,502
Goods and services tax recoverable	(8,448)	6,998
Investments (Note 2)	3,712,263	3,677,976
	<u>6,126,372</u>	<u>5,967,991</u>
LIABILITIES		
Accounts payable	289,304	273,159
Wages payable	22,071	15,905
Long-term debt (Note 5)	1,414,065	1,657,794
Deferred revenue	345,143	45,021
	<u>2,070,583</u>	<u>1,991,879</u>
NET FINANCIAL ASSETS	<u>4,055,789</u>	<u>3,976,112</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	8,939	10,394
Tangible Capital Assets (Note 3)	5,787,770	6,071,611
	<u>5,796,709</u>	<u>6,082,005</u>
ACCUMULATED SURPLUS	<u>\$ 9,852,498</u>	<u>\$ 10,058,117</u>

ON BEHALF OF THE COUNCIL

 Chief

 Councillor

BRIDGE RIVER INDIAN BAND
Consolidated Statement of Revenues and Expenditures
Year Ended March 31, 2016

	Budget 2016	2016	2015
Revenue			
AANDC	\$ 890,612	\$ 1,543,876	\$ 1,598,836
Canada Mortgage and Housing Corporation	-	156,106	158,431
Other Government Funding	-	606,966	595,070
Rental income	-	263,253	274,898
Administration fees	98,837	152,387	181,623
Other	292,049	1,535,595	1,531,479
Interest income trust	-	1,995	2,106
RRF Revenue	-	47,290	49,195
Investment income	-	187,093	211,272
Prior year surplus	-	(999)	(98,894)
Interest income - RRF	-	5,280	6,042
First Nations Health Authority	353,967	468,538	332,552
	<u>1,635,465</u>	<u>4,967,380</u>	<u>4,842,610</u>
EXPENSES			
Administration fees	22,424	239,043	234,788
Amortization	-	474,791	487,403
Community buildings	18,000	97,434	65,065
Contractual services	-	668,885	164,931
Contributions and donations	15,260	17,872	9,741
Fire protection	10,694	96,788	38,071
Health and welfare	20,000	31,749	18,812
Honoraria	44,400	49,433	55,760
Insurance	23,850	67,212	59,154
Interest and bank charges	5,400	29,066	35,273
Materials and supplies	79,864	208,162	199,643
National Child Benefit Reinvestment	43,613	43,613	40,705
Office and miscellaneous	75,748	100,204	92,027
Professional fees	30,620	317,684	660,507
Recreation and sport	18,286	11,761	15,919
Rental and utilities	117,732	169,643	161,086
Repairs and maintenance	50,000	548,262	510,497
Replacement reserve	47,290	47,290	49,195
Roads	15,000	19,375	15,233
Social assistance	246,317	348,474	304,798
Student allowance and supplies	108,190	88,997	107,388
Telecommunications	17,400	14,935	19,018
Training	9,500	4,637	6,132
Travel	21,842	90,341	77,284
Tuition	35,000	22,248	24,471
Wages and benefits	557,655	1,218,682	1,165,837
Workshops	1,380	5,000	250
	<u>1,635,465</u>	<u>5,031,581</u>	<u>4,618,988</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ (64,201)</u>	<u>\$ 223,622</u>

BRIDGE RIVER INDIAN BAND
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2016

	Budget 2016	2016	2015
ANNUAL SURPLUS	\$ -	\$ (64,201)	\$ 223,622
Amortization	-	474,791	487,403
Prepaid expenses	-	1,457	294
Purchase of capital assets	-	(190,950)	(20,000)
Change in unrealized market value adjustment	-	(141,420)	114,165
	-	143,878	581,862
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	-	79,677	805,484
Net financial assets, beginning of year	3,976,112	3,976,112	3,170,628
NET FINANCIAL ASSETS, END OF YEAR	\$ 3,976,112	\$ 4,055,789	\$ 3,976,112

BRIDGE RIVER INDIAN BAND
Consolidated Statement of Cash Flow
Year Ended March 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (64,201)	\$ 223,622
Item not affecting cash:		
Amortization of property, plant and equipment	474,791	487,403
	<u>410,590</u>	<u>711,025</u>
Changes in non-cash working capital:		
Accounts payable	16,147	55,103
Accounts receivable	98,238	(205,330)
Prepaid expenses	1,455	294
Goods and services tax payable (recoverable)	15,446	(5,568)
Wages payable	6,166	(14,360)
Deferred revenue	300,122	(255,030)
	<u>437,574</u>	<u>(424,891)</u>
Cash flow from operating activities	<u>848,164</u>	<u>286,134</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(190,950)	(20,000)
Purchase of investments	(175,707)	(698,940)
Cash flow used by investing activities	<u>(366,657)</u>	<u>(718,940)</u>
FINANCING ACTIVITY		
Repayment of long term debt	(243,729)	(248,653)
INCREASE (DECREASE) IN CASH FLOW	<u>237,778</u>	<u>(681,459)</u>
Cash - beginning of year	<u>1,414,515</u>	<u>2,095,974</u>
CASH - END OF YEAR	<u>\$ 1,652,293</u>	<u>\$ 1,414,515</u>
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest received	\$ (187,093)	\$ (211,272)
Interest paid	\$ 29,066	\$ 35,273
CASH CONSISTS OF:		
Cash	\$ 1,079,970	\$ 849,468
Restricted cash	572,323	565,047
	<u>\$ 1,652,293</u>	<u>\$ 1,414,515</u>

BRIDGE RIVER INDIAN BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

Fund accounting

BRIDGE RIVER INDIAN BAND (the "Band") records accounting transactions using the fund accounting method generally in use for non-profit organizations. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund has its own statement of operations which presents the results of operations for the fund. The statement of financial position of the Band includes the assets, liabilities and equity of all funds presented in the consolidated financial statements.

The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. Details of the operations of each fund are set out in the Schedule of Segmented Information. The Band maintains the following funds:

1. Social Housing - reports the social housing assets of the Band, together with related financing and activities;
2. Enterprise - reports the business investments of the Band, and its share of the earnings of those investments;
3. Replacement Reserve - is required by CMHC to accumulate funds in anticipation of maintaining and replacing existing specific assets;
4. Ottawa Trusts - represents revenue and capital amounts held in trust for the Band by the federal government;
5. Equity in Capital Assets - represents the Band's equity in Capital Assets;
6. Operations - reports the programs and operations of the Band.

All inter-fund 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.

Tangible Capital Assets

Tangible Capital Assets are stated at cost or deemed cost less accumulated amortization. Tangible Capital Assets (other than social housing capital assets - which are amortized at a rate equal to the principal reduction in related long-term debt) are amortized over their estimated useful lives on a declining balance basis at the following rates:

Buildings	5%
Infrastructure	4%
Machinery and equipment	20%

Revenue recognition

The Band follows the deferral method of accounting for contributions. Accordingly, amounts received under funding arrangements which relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position.

(continues)

BRIDGE RIVER INDIAN BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

2. INVESTMENTS

	2016	2015
Opening balance	\$ 3,677,976	\$ 2,864,870
Transfers in (out), net	-	500,000
Investment income	175,707	198,941
Market value adjustment	(141,420)	114,165
Closing balance	<u>\$ 3,712,263</u>	<u>\$ 3,677,976</u>
Book value	<u>\$ 3,473,057</u>	<u>\$ 3,297,352</u>

The investments are primarily Settlement Funds received in the 2013 fiscal year and are invested for the future benefit of the Band. The investments are held with a third party broker who invests the money according to an Investment Policy that restricts the holdings of the investments such that the Band does not have any significant holdings in any one company.

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Buildings	\$ 3,815,559	\$ 1,052,834	\$ 2,762,725	\$ 2,908,132
Infrastructure	971,551	519,503	452,048	470,883
Machinery and equipment	1,811,411	1,329,177	482,234	387,974
Capital fund	6,598,521	2,901,514	3,697,007	3,766,989
Capital assets - Social Housing	5,531,769	3,441,006	2,090,763	2,304,622
	<u>\$ 12,130,290</u>	<u>\$ 6,342,520</u>	<u>\$ 5,787,770</u>	<u>\$ 6,071,611</u>

BRIDGE RIVER INDIAN BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2016

4. CHANGES IN TANGIBLE CAPITAL ASSETS

	Beginning of year	Additions	Disposals	2016	2015
<u>Cost</u>					
Buildings	\$ 3,815,559	\$ -	\$ -	\$ 3,815,559	\$ 3,815,559
Infrastructure	971,551	-	-	971,551	971,551
Machinery and equipment	1,620,461	190,950	-	1,811,411	1,620,461
Capital assets - Social Housing	5,531,769	-	-	5,531,769	5,531,769
	<u>11,939,340</u>	<u>190,950</u>	<u>-</u>	<u>12,130,290</u>	<u>11,939,340</u>
<u>Accumulated Amortization</u>					
Buildings	907,427	145,407	-	1,052,834	907,427
Infrastructure	500,668	18,835	-	519,503	500,668
Machinery and equipment	1,232,487	96,690	-	1,329,177	1,232,487
Capital assets - Social Housing	3,227,147	213,859	-	3,441,006	3,227,147
	<u>5,867,729</u>	<u>474,791</u>	<u>-</u>	<u>6,342,520</u>	<u>5,867,729</u>
	<u>\$ 6,071,611</u>	<u>\$ (283,841)</u>	<u>\$ -</u>	<u>\$ 5,787,770</u>	<u>\$ 6,071,611</u>

BRIDGE RIVER INDIAN BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2016

5. LONG TERM DEBT

	<u>2016</u>	<u>2015</u>
All Nations Trust loan bearing interest at 1.8% per annum, repayable in monthly blended payments of \$2,241. The loan matures on July 1, 2016 and is secured by a first mortgage on housing units and a ministerial guarantee.	\$ 8,930	\$ 35,398
All Nations Trust loan bearing interest at 1.8% per annum, repayable in monthly blended payments of \$1,800. The loan matures on September 1, 2021 and is secured by a first mortgage on housing units and a ministerial guarantee.	113,040	132,417
All Nations Trust loan bearing interest at 1.67% per annum, repayable in monthly blended payments of \$2,122. The loan matures on February 1, 2019 and is secured by a first mortgage on housing units and a ministerial guarantee.	72,450	96,488
All Nations Trust loan bearing interest at 2.35% per annum, repayable in monthly blended payments of \$1,548. The loan matures on July 1, 2018 and is secured by a first mortgage on housing units and a ministerial guarantee.	42,146	59,515
All Nations Trust loan bearing interest at 1.67% per annum, repayable in monthly blended payments of \$1,654. The loan matures on March 1, 2024 and is secured by a first mortgage on housing units and a ministerial guarantee.	148,594	165,810
All Nations Trust loan bearing interest at 1.3% per annum, repayable in monthly blended payments of \$2,596. The loan matures on October 1, 2020 and is secured by a first mortgage on housing units and a ministerial guarantee.	138,530	166,908
All Nations Trust loan bearing interest at 1.92% per annum, repayable in monthly blended payments of \$2,515. The loan matures on March 1, 2019 and is secured by a first mortgage on housing units and a ministerial guarantee.	87,923	116,122
All Nations Trust loan bearing interest at 2.11% per annum, repayable in monthly blended payments of \$2,662. The loan matures on December 1, 2019 and is secured by a first mortgage on housing units and a ministerial guarantee.	115,089	144,274
All Nations Trust loan bearing interest at 1.62% per annum, repayable in monthly blended payments of \$2,835. The loan matures on March 1, 2038 and is secured by a first mortgage on housing units and a ministerial guarantee.	628,907	652,536
CIBC - grader loan bearing interest at 1.5% per annum, repayable in monthly blended payments of \$948. The loan matures on March 31, 2017 and is secured by charge on equipment.	7,580	18,950

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BRIDGE RIVER INDIAN BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2016

5. LONG TERM DEBT *(continued)*

	<u>2016</u>	<u>2015</u>
CIBC - freightliner loan bearing interest at 1.5% per annum, repayable in monthly blended payments of \$1,542. The loan is due on demand, matures on December 13, 2018 and is secured by charge on equipment.	<u>50,876</u>	<u>69,376</u>
	<u>\$ 1,414,065</u>	<u>\$ 1,657,794</u>

Principal repayment terms are approximately:

2017	\$ 229,883
2018	217,273
2019	195,360
2020	118,463
2021	87,894
Thereafter	<u>565,192</u>
	<u>\$ 1,414,065</u>

6. FINANCIAL INSTRUMENTS

Fair value

The carrying value of cash and cash equivalents, marketable securities, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The carrying value of the long-term debt approximates the fair value as the interest rates are consistent with the current rates offered to the Band for debt with similar terms.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Band manages exposure through its normal operating and financing activities. The Band is exposed to interest rate risk primarily through its long-term debt, investments and cash.

BRIDGE RIVER INDIAN BAND
Consolidated Segmented Information
Year Ended March 31, 2016

	Social Housing	Enterprise Fund	Replacement Reserve	Ottawa Trust Revenue	Ottawa Trust Capital	Equity in Capital Assets	Operations	2016
REVENUE								
AANDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,543,876	\$ 1,543,876
Canada Mortgage and Housing Corporation	156,106	-	-	-	-	-	-	156,106
Other Government Funding	-	-	-	-	-	-	606,966	606,966
Rental income	252,003	-	-	-	-	-	11,250	263,253
Administration fees	-	-	-	-	-	-	152,387	152,387
Other	-	-	-	-	-	-	1,535,595	1,535,595
Interest income trust	-	-	-	1,995	-	-	-	1,995
RRF Revenue	-	-	47,290	-	-	-	-	47,290
Prior year surplus	-	-	-	-	-	-	(999)	(999)
Interest income - RRF	-	-	5,280	-	-	-	-	5,280
Investment income	8,232	-	-	-	-	-	178,861	187,093
First Nations Health Authority	-	-	-	-	-	-	468,538	468,538
	416,341	-	52,570	1,995	-	-	4,496,474	4,967,380
EXPENSES								
Administration fees	23,377	-	-	-	-	-	215,666	239,043
Amortization	213,859	-	-	-	-	260,932	-	474,791
Community buildings	-	-	-	-	-	-	97,434	97,434
Contractual services	-	-	-	-	-	-	668,885	668,885
Contributions and donations	-	-	-	-	-	-	17,872	17,872
Fire protection	-	-	-	-	-	-	96,788	96,788
Health and welfare	-	-	-	-	-	-	31,749	31,749
Honoraria	-	-	-	-	-	-	49,433	49,433
Insurance	28,568	-	-	-	-	-	38,644	67,212
Interest and bank charges	26,017	-	-	-	-	-	3,049	29,066
Materials and supplies	-	-	-	-	-	-	208,162	208,162
National Child Benefit Reinvestment	-	-	-	-	-	-	43,613	43,613
Office and miscellaneous	-	-	-	-	-	-	100,204	100,204
Professional fees	5,780	-	-	-	-	-	311,904	317,684
Recreation and sport	-	-	-	-	-	-	11,761	11,761
Rental and utilities	8,200	-	-	-	-	-	161,443	169,643
Repairs and maintenance	40,421	-	59,051	-	-	-	448,790	548,262
Replacement reserve	47,290	-	-	-	-	-	-	47,290

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BRIDGE RIVER INDIAN BAND
Consolidated Segmented Information (continued)
Year Ended March 31, 2016

	Social Housing	Enterprise Fund	Replacement Reserve	Ottawa Trust Revenue	Ottawa Trust Capital	Equity in Capital Assets	Operations	2016
EXPENSES (continued)								
Roads	-	-	-	-	-	-	19,375	19,375
Social development	-	-	-	-	-	-	348,474	348,474
Student allowance and supplies	-	-	-	-	-	-	88,997	88,997
Telecommunications	-	-	-	-	-	-	14,935	14,935
Training	-	-	-	-	-	-	4,637	4,637
Travel	-	-	-	-	-	-	90,341	90,341
Tuition	-	-	-	-	-	-	22,248	22,248
Wages and benefits	-	-	-	-	-	-	1,218,682	1,218,682
Workshops	-	-	-	-	-	-	5,000	5,000
	393,512	-	59,051	-	-	260,932	4,318,086	5,031,581
	22,829	-	(6,481)	1,995	-	(260,932)	178,388	(64,201)
SURPLUS (DEFICIENCY), BEGINNING OF YEAR								
Transfers	123,393	231,651	457,732	42,118	2,305	4,413,816	4,787,104	10,058,119
Transfer of principal payments	12,011	-	-	-	-	-	(12,011)	-
Transfer depreciation	(213,859)	-	-	-	-	243,729	(29,870)	-
Transfer to fund capital asset acquisition	213,859	-	-	-	-	(213,859)	-	-
Change in unrealized market value adjustment	-	-	-	-	-	190,950	(190,950)	-
	-	-	-	-	-	-	(141,420)	(141,420)
	135,404	231,651	457,732	42,118	2,305	4,634,636	4,412,853	9,916,699
SURPLUS (DEFICIENCY), END OF YEAR	\$ 158,233	\$ 231,651	\$ 451,251	\$ 44,113	\$ 2,305	\$ 4,373,704	\$ 4,591,241	\$ 9,852,498