

**CAYOOSE CREEK INDIAN BAND
Consolidated Financial Statements
Year Ended March 31, 2017**

CAYOOSE CREEK INDIAN BAND
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Year Ended March 31, 2017

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Management's Responsibility for Financial Reporting

The consolidated financial statements of CAYOOSE CREEK 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 CAYOOSE CREEK 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 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 Chief and Council approves the financial statements. They also consider 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



Councillor

Councillor



Councillor

Lillooet, BC
June 28, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of CAYOOSE CREEK INDIAN BAND

We have audited the accompanying consolidated financial statements of CAYOOSE CREEK INDIAN BAND, which comprise the consolidated statement of financial position as at March 31, 2017 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.

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Independent Auditor's Report to the Members of CAYOOSE CREEK INDIAN BAND *(continued)*

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of CAYOOSE CREEK INDIAN BAND as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Nanaimo, British Columbia
June 28, 2017

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CAYOOSE CREEK INDIAN BAND
Consolidated Statement of Financial Position
March 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash	\$ 457,325	\$ 278,623
Restricted cash (Note 2)	152,085	126,443
Accounts receivable (Note 3)	482,032	315,515
Loans receivable	70,785	83,598
	1,162,227	804,179
LIABILITIES		
Accounts payable	123,819	19,037
Long term debt (Note 5)	4,363	34,332
Deferred income	161,446	-
	289,628	53,369
NET FINANCIAL ASSETS	872,599	750,810
NON FINANCIAL ASSETS		
Prepaid expenses	2,566	-
Tangible capital assets (Note 4)	990,499	994,360
	993,065	994,360
ACCUMULATED SURPLUS	\$ 1,865,664	\$ 1,745,170

ON BEHALF OF THE COUNCIL

 _____ Chief
 _____ Councillor
 _____ Councillor
 _____ Councillor

CAYOOSE CREEK INDIAN BAND
Consolidated Statement of Revenue and Expenditures
Year Ended March 31, 2017

	Budget 2017	2017	2016
REVENUE			
AANDC	\$ 878,408	\$ 740,124	\$ 578,626
Health and Welfare Canada	-	2,828	-
RRF Appropriations	-	7,073	9,073
First Nations Health Authority	223,023	220,880	213,089
Housing	-	94,715	75,356
Other government funding	-	396,626	167,595
Other	949,500	1,182,317	796,370
Surplus repayment	-	(2,828)	(14,219)
CMHC	-	123,828	-
	<hr/> 2,050,931	<hr/> 2,765,563	<hr/> 1,825,890
EXPENSES			
Administration	202	774	33,403
Advertising and promotion	446	446	625
Allocation to Replacement Reserve	-	7,073	9,073
Amortization	-	118,806	142,327
Bad debts	-	12,475	25,429
Contractual services	963,475	723,057	334,038
Office and miscellaneous	32,858	31,268	48,864
Health	223,563	230,682	213,117
Insurance	34,971	41,337	38,279
Interest and bank charges	3,016	3,582	4,643
Materials and supplies	27,012	70,871	32,146
Professional fees	13,750	27,144	50,074
Protective Services / Fire fighting	-	16,610	16,055
Rental of facilities and equipment	-	1,794	4,958
Repairs and maintenance	28,252	126,841	23,427
Salaries and benefits	468,423	587,522	514,957
Social assistance	149,981	135,956	136,833
Telephone	13,930	13,930	13,345
Training	102,155	133,270	157,990
Transfer to fund development corporation	-	339,395	63,342
Travel	13,842	19,200	41,111
Utilities	-	3,021	10,902
	<hr/> 2,075,876	<hr/> 2,645,054	<hr/> 1,914,938
EXCESS (DEFICIENCY) OF EXPENSES OVER REVENUE	<hr/> \$ (24,945)	<hr/> \$ 120,509	<hr/> \$ (89,048)

CAYOOSE CREEK INDIAN BAND
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2017

	Budget 2017	2017	2016
ANNUAL SURPLUS	\$ (24,945)	\$ 120,509	\$ (89,048)
Amortization	-	118,806	142,327
Prepaid expenses	-	(2,566)	6,013
Purchase of tangible capital assets	-	(114,945)	-
	-	1,295	148,340
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(24,945)	121,805	59,293
Net financial assets, beginning of year	750,794	750,810	691,517
NET FINANCIAL ASSETS, END OF YEAR	\$ 725,849	\$ 872,615	\$ 750,810

CAYOOSE CREEK INDIAN BAND
Consolidated Statement of Cash Flows
Year Ended March 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 120,509	\$ (89,048)
Item not affecting cash:		
Amortization of property, plant and equipment	<u>118,806</u>	<u>142,327</u>
	<u><u>239,315</u></u>	<u><u>53,279</u></u>
Changes in non-cash working capital:		
Loans receivable	12,813	1,447
Accounts receivable	(166,517)	37,546
Accounts payable	103,981	4,968
Deferred income	161,446	-
Prepaid expenses	(2,566)	6,015
Interest payable	(57)	(64)
Wages payable	843	154
	<u><u>109,943</u></u>	<u><u>50,066</u></u>
Cash flow from operating activities	<u><u>349,258</u></u>	<u><u>103,345</u></u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u><u>(114,945)</u></u>	<u><u>-</u></u>
FINANCING ACTIVITY		
Repayment of long term debt	<u><u>(29,969)</u></u>	<u><u>(38,293)</u></u>
INCREASE IN CASH FLOW	<u><u>204,344</u></u>	<u><u>65,052</u></u>
Cash - beginning of year	<u><u>405,066</u></u>	<u><u>340,014</u></u>
CASH - END OF YEAR	<u><u>\$ 609,410</u></u>	<u><u>\$ 405,066</u></u>
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest paid	<u><u>\$ 3,639</u></u>	<u><u>\$ 4,707</u></u>
CASH CONSISTS OF:		
Cash	<u><u>\$ 457,325</u></u>	<u><u>\$ 278,623</u></u>
Restricted cash	<u><u>152,085</u></u>	<u><u>126,443</u></u>
	<u><u>\$ 609,410</u></u>	<u><u>\$ 405,066</u></u>

CAYOOSE CREEK INDIAN BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for governments, as prescribed by the Canadian public sector accounting standards ("PSAB") of the Canadian Institute of Chartered Accountants, which encompasses the following principles:

Fund accounting

The CAYOOSE CREEK INDIAN BAND (the "Nation") records accounting transactions using the fund accounting method generally in use for governments. 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 financial position of the Nation is shown on the consolidated statement of financial position which includes the assets, liabilities and accumulated surplus of all funds presented in the financial statements.

The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements.

Operating Fund - accounts for the operating programs.

Capital Fund - accounts for the capital programs.

Social Housing Fund - accounts for the operations of the social housing program.

Trust Fund - accounts for the changes in trust funds held by the federal government.

Replacement Reserve Fund - accounts for the funds held for repair and replacement of social housing units.

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

Tangible Capital Assets:

Tangible capital assets are recorded at cost or deemed cost less accumulated amortization. Amortization is recognized as an expense in the statement of operations and is calculated using the straight-line method over periods of time ranging from 15 to 50 years except for social housing. Tangible assets acquired under the social housing program are amortized at a rate equivalent to the annual principal reduction in the related long-term debt, as required for Canada Mortgage and Housing Corporation reporting requirements.

Revenue recognition

The Nation 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.

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CAYOOSE CREEK INDIAN BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

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. RESTRICTED CASH

	2017	2016
Social Housing - RRF	\$ 59,511	\$ 35,272
Social Housing - subsidy surplus	-	2,613
Ottawa trust funds	<u>92,574</u>	<u>88,558</u>
	<u>\$ 152,085</u>	<u>\$ 126,443</u>

The Ottawa trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the office of the Auditor General of Canada.

3. ACCOUNTS RECEIVABLE

	2017	2016
Social Housing		
Rents receivable	\$ 74,930	\$ 98,980
Interest receivable	<u>707</u>	<u>1,276</u>
	<u>75,637</u>	<u>100,256</u>
Operating Fund		
Accounts receivable	<u>406,396</u>	<u>215,259</u>
	<u>\$ 482,033</u>	<u>\$ 315,515</u>

CAYOOSE CREEK INDIAN BAND
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Buildings	\$ 562,116	\$ 544,157	\$ 17,959	\$ 46,064
Buildings - Social Housing	1,575,144	963,155	611,989	641,958
Infrastructure	1,498,100	1,252,404	245,696	298,014
Equipment	283,151	168,296	114,855	8,323
	\$ 3,918,511	\$ 2,928,012	\$ 990,499	\$ 994,359

5. LONG TERM DEBT

2017

2016

All Nations Trust loan bearing interest at 1.76% per annum, repayable in monthly blended payments of \$1,820. The loan matures on October 1, 2016 and is secured by a first mortgage on housing units and a ministerial guarantee.	\$ -	\$ 12,676
All Nations Trust loan bearing interest at 2.26% per annum, repayable in monthly blended payments of \$1,465. The loan matures on June 1, 2017 and is secured by a first mortgage on housing units and a ministerial guarantee.	4,363	21,656
	\$ 4,363	\$ 34,332

6. FINANCIAL INSTRUMENTS

The Nation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Nation's risk exposure and concentration as of March 31, 2017.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Nation is exposed to credit risk from funders and members. In order to reduce its credit risk, the Nation has created an allowance for doubtful accounts based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Nation has a significant number of funders and members which minimizes concentration of credit risk.

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 Nation manages exposure through its normal operating and financing activities. The Nation is exposed to interest rate risk primarily through its mortgages and deposits.

CAYOOSE CREEK INDIAN BAND
Consolidated Segmented Information
Year Ended March 31, 2017

	0045 - Social Housing	0046 - Replacement reserve fund	0035 - Equity in Capital Assets	0049 - Ottawa Trusts	Operations	2017 Current Year
REVENUE						
ANDC	\$ -	\$ -	\$ -	\$ -	\$ 740,124	\$ 740,124
Health and Welfare Canada					2,828	2,828
Other government funding					396,626	396,626
Other	20,012	-	-	4,016	1,158,289	1,182,317
Rental income	56,885	-	7,073	-	37,830	94,715
RRF Appropriations	-		-		-	7,073
First Nations Health Authority	-		-		220,880	220,880
CMHC	-		-		123,828	123,828
	76,897	7,073		4,016	2,680,405	2,768,391
EXPENDITURES						
Administration	212	-	-	-	562	774
Advertising and promotion	-	-	-	-	446	446
Allocation to Replacement Reserve						
Amortization	7,073	-	88,837	-	-	7,073
Bad debts	29,969	-	-	-	11,342	118,806
Contractual services	1,133	-	-	-	722,953	12,475
Office and miscellaneous	104	-	-	-	31,268	723,057
Health	-	-	-	-	230,682	31,268
Insurance	5,366	-	-	-	35,971	230,682
Interest and bank charges	552	-	-	-	41,337	35,971
Materials and supplies	-	-	-	-	3,030	3,582
Professional fees	-	-	-	-	70,871	70,871
Protective Services / Fire fighting	-	-	-	-	27,144	27,144
Rental of facilities and equipment	-	-	-	-	16,610	16,610
Repairs and maintenance	7,225	-	-	-	1,794	1,794
Salaries and benefits	-	-	-	-	119,616	126,841
Social assistance	-	-	-	-	587,522	587,522
Telephone	-	-	-	-	135,956	135,956
Training	-	-	-	-	13,930	13,930
Transfer to fund development corporation	-	-	-	-	133,270	133,270
Travel	144	-	-	-	339,395	339,395
Utilities	1,035	-	-	-	19,056	19,056
					1,986	1,986
					3,021	3,021

CAYOOSE CREEK INDIAN BAND
Consolidated Segmented Information (continued)
Year Ended March 31, 2017

	0045 - Social Housing	0046 - Replacement reserve fund	0035 - Equity in Capital Assets	0049 - Ottawa Trusts	Operations	2017	Current Year
EXPENDITURES (continued)							
Surplus recovery			88,837			2,503,404	2,645,054
						2,828	2,828
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	24,084	7,073	(88,837)	4,016	174,173	120,509	
SURPLUS, BEGINNING OF YEAR	(121,068)	310,372	960,029	88,558	507,266	1,745,156	
TRANSFERS							
Transfer to fund capital asset purchases			114,945			(114,945)	
Transfers to fund principal repayments	29,969	-	(29,969)			-	
Transfers to fund amortization of capital assets	(29,969)		29,969			-	
Transfer to close completed project		(25,012)			25,012		
		(25,012)	114,945			(89,933)	
SURPLUS, END OF YEAR	\$ (96,984)	\$ 292,433	\$ 986,137	\$ 92,574	\$ 591,506	\$ 1,865,665	