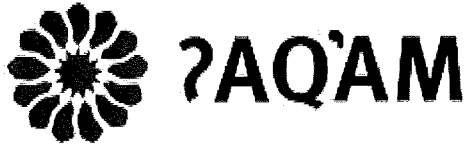


Consolidated Financial Statements of

**ST. MARY'S INDIAN BAND**

Year ended March 31, 2015



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of St. Mary's Indian Band (the "Band") and all the information in this report are the responsibility of management and have been approved by the Chief and a Council member on behalf of the Band Council.


The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects, including the consolidated financial position of the Band and the results of its consolidated operations and its consolidated cash flows.

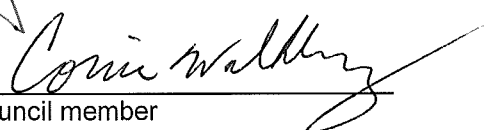
The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The elections for the positions of Chief and Council occur every two years. Individuals are elected for a term of four years, with elections staggered every two years.

Chief and Council review the Band's financial statements and recommend their approval. Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditors' report. Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. In addition, Chief and Council also consider the engagement of the Band's external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. KPMG LLP have full access to Chief and Council.

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Council member

June 4<sup>th</sup>, 2015



**KPMG LLP**  
200-3200 Richter Street  
Kelowna BC V1W 5K9  
Canada

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Fax (250) 763-0044  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## **INDEPENDENT AUDITORS' REPORT**

To Chief and Council and Members of St. Mary's Indian Band

We have audited the accompanying consolidated financial statements of St. Mary's Indian Band (the "Band"), 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 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 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 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 the auditor's judgment, including the assessment of the risk 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 Band'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 Band'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 consolidated financial position of St. Mary's Indian Band as at March 31, 2015, and the results of its consolidated operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink, appearing to read 'KPMG LLP'.

Chartered Accountants

Kelowna, Canada

June 4, 2015

# ST. MARY'S INDIAN BAND

## Consolidated Statement of Financial Position


March 31, 2015, with comparative information for 2014

|  | 2015                 | 2014                |
|--|----------------------|---------------------|
| <b>Financial Assets</b>                      |                      |                     |
| Cash and cash equivalents (note 2)           | \$ 1,245,953         | \$ 1,533,467        |
| Restricted cash (note 2)                     | 3,757,813            | 3,532,672           |
| Accounts receivable (note 3)                 | 374,829              | 659,774             |
| Investments (note 4)                         | 4                    | 4                   |
| Investments in business enterprises (note 5) | 219,517              | 35,790              |
|  | <u>5,598,116</u>     | <u>5,761,707</u>    |
| <b>Liabilities</b>                           |                      |                     |
| Accounts payable and accrued liabilities     | 1,056,238            | 621,317             |
| Deferred revenue (note 6)                    | 359,712              | 1,258,340           |
| Long-term debt (note 7)                      | 511,192              | 605,299             |
| Replacement reserves (note 8)                | 193,130              | 192,242             |
|  | <u>2,120,272</u>     | <u>2,677,198</u>    |
| <b>Net financial assets</b>                  | <u>3,477,844</u>     | <u>3,084,509</u>    |
| <b>Non-Financial Assets</b>                  |                      |                     |
| Tangible capital assets (note 9)             | 7,250,314            | 5,616,925           |
| Prepaid expenses and deposits                | 65,545               | 100,995             |
|  | <u>7,315,859</u>     | <u>5,717,920</u>    |
| <b>Accumulated surplus (note 10)</b>         | <u>\$ 10,793,703</u> | <u>\$ 8,802,429</u> |

Commitments and contingencies (note 14)  
Trust funds (note 15)

See accompanying notes to consolidated financial statements.

On behalf of the Chief and Council:

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Council member

# ST. MARY'S INDIAN BAND

## Consolidated Statement of Operations and Accumulated Surplus

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

|  | 2015<br>Budget<br>(note 1(h)) | 2015          | 2014         |
|--|-------------------------------|---------------|--------------|
| Revenue:                                     |                               |               |              |
| Transfers from other governments:            |                               |               |              |
| Aboriginal Affairs and Northern Development  |                               |               |              |
| Canada                                       | \$ 3,808,617                  | \$ 3,788,701  | \$ 2,073,495 |
| Other federal government                     | 51,165                        | 43,404        | 76,966       |
| Province of British Columbia                 | 880,000                       | 706,201       | 661,101      |
| Ktunaxa Nation Council (note 16)             | 625,900                       | 610,042       | 625,413      |
| Grants                                       | 440,890                       | 308,363       | 339,911      |
| Canadian Mortgage and Housing                |                               |               |              |
| Corporation subsidy                          | 6,018                         | 57,800        | -            |
| Canadian Mortgage and Housing                |                               |               |              |
| Corporation grants                           | 47,000                        | 48,290        | 12,414       |
| First Nations Goods and Service Tax          | 255,000                       | 214,565       | 228,520      |
| Property taxation, net of homeowners' grants | 56,500                        | 53,889        | 58,301       |
| User fees                                    | 297,000                       | 205,375       | 282,043      |
| Social housing rent                          | 57,000                        | 58,769        | 54,534       |
| Rent and lease                               | 104,750                       | 80,424        | 129,918      |
| Interest and penalties                       | 15,800                        | 50,102        | 28,189       |
| Other  | 145,000                       | 161,556       | 64,879       |
| Equity in earnings (loss) and investment     |                               |               |              |
| impairment of business enterprises (note 5)  | -                             | 182,736       | (22,075)     |
|  | 6,790,640                     | 6,570,217     | 4,613,609    |
| Expenses (Schedule 1):                       |                               |               |              |
| Administration                               | 803,456                       | 803,483       | 757,704      |
| Education                                    | 598,642                       | 505,133       | 544,185      |
| Elementary School                            | 846,205                       | 718,670       | 642,655      |
| Social Development                           | 195,088                       | 180,948       | 199,805      |
| Maintenance of Facilities                    | 308,760                       | 304,388       | 261,251      |
| A'qamnik Daycare                             | 285,500                       | 288,091       | 262,482      |
| Community Services                           | 519,500                       | 430,042       | 415,745      |
| Rental Housing Fund                          | 5,500                         | 4,744         | 4,416        |
| St. Eugene Church Restoration Society        | 100,700                       | 25            | 17,548       |
| Taxation                                     | 316,800                       | 32,533        | 29,791       |
| Lands and Resource Management                | 558,566                       | 513,094       | 295,264      |
| Social Housing Program                       | 152,923                       | 102,913       | 100,527      |
| Water System                                 | 121,700                       | 45,028        | 40,021       |
| After School Program                         | 39,100                        | 21,307        | 20,508       |
| Member Capital                               | 227,800                       | 290,561       | 459,052      |
| National Child Benefit                       | 41,233                        | 36,717        | 39,071       |
| Economic Development                         | 378,485                       | 229,192       | 169,053      |
| A'qam Community Care Centre Program          | 79,900                        | 72,074        | 85,972       |
|  | 5,579,858                     | 4,578,943     | 4,345,050    |
| Surplus                                      | 1,210,782                     | 1,991,274     | 268,559      |
| Accumulated surplus, beginning of the year   | 8,802,429                     | 8,802,429     | 8,533,870    |
| Accumulated surplus, end of year             | \$ 10,013,211                 | \$ 10,793,703 | \$ 8,802,429 |

See accompanying notes to consolidated financial statements.

# ST. MARY'S INDIAN BAND

## Consolidated Statement of Change in Net Financial Assets

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

|  | 2015<br>Budget<br>(note 1(h)) | 2015         | 2014         |
|--|-------------------------------|--------------|--------------|
| Surplus  | \$ 1,210,782                  | \$ 1,991,274 | \$ 268,563   |
| Changes to non-financial assets:                               |                               |              |              |
| Acquisition of tangible capital assets                         | (2,349,917)                   | (1,983,517)  | (341,894)    |
| Amortization of tangible capital assets                        | -                             | 291,900      | 270,640      |
| Writedown of or loss on disposal of<br>tangible capital assets | -                             | 58,228       | 275,769      |
|  | (2,349,917)                   | (1,633,389)  | 204,515      |
| Acquisition of prepaid expenses and<br>deposits                | -                             | (65,545)     | (100,995)    |
| Use of prepaid expenses and deposits                           | -                             | 100,995      | 41,025       |
|  | -                             | 35,450       | (59,970)     |
| Increase (decrease) in net financial assets                    | (1,137,120)                   | 393,335      | 413,108      |
| Net financial assets, beginning of year                        | 3,084,509                     | 3,084,509    | 2,671,401    |
| Net financial assets, end of year                              | \$ 1,947,389                  | \$ 3,477,844 | \$ 3,084,509 |

See accompanying notes to consolidated financial statements.

# ST. MARY'S INDIAN BAND

## Consolidated Statement of Cash Flows

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

|  | 2015         | 2014         |
|--|--------------|--------------|
| Cash provided by (used in):  |              |              |
| Operating activities:  |              |              |
| Cash received from Aboriginal Affairs and Northern Development Canada        | \$ 3,180,548 | \$ 2,894,086 |
| Cash received from grants, property taxes, user fees, rent and other revenue | 2,543,148    | 3,636,118    |
| Cash paid to employees and suppliers   | (3,745,996)  | (4,114,384)  |
| Interest received  | 50,102       | 28,189       |
| Interest paid  | (12,448)     | (25,652)     |
|  | 2,015,354    | 2,418,357    |
| Financing activities:  |              |              |
| Repayment of long-term debt  | (94,107)     | (165,688)    |
| Decrease in replacement reserves   | 888          | (4,541)      |
|  | (93,219)     | (170,229)    |
| Capital activities:  |              |              |
| Acquisition of tangible capital assets                                       | (1,983,517)  | (341,893)    |
|  | (1,983,517)  | (341,893)    |
| Investing activities:  |              |              |
| Increase in restricted cash  | (225,141)    | (622,459)    |
| Net investment in business enterprises                                       | (991)        | -            |
|  | (226,132)    | (622,459)    |
| Increase (decrease) in cash and cash equivalents                             | (287,514)    | 1,283,776    |
| Cash and cash equivalents, beginning of year                                 | 1,533,467    | 249,691      |
| Cash and cash equivalents, end of year                                       | \$ 1,245,953 | \$ 1,533,467 |

See accompanying notes to consolidated financial statements.



# ST. MARY'S INDIAN BAND

## Notes to Consolidated Financial Statements

Year ended March 31, 2015

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St. Mary's Indian Band provides local government, education and social development services to its members. The Band is organized under the Indian Act of Canada.

### **1. Basis of presentation and significant accounting policies:**

These consolidated financial statements include the assets, liabilities, and results of operations of the St. Mary's Indian Band (the "Band") and all related entities and organizations subject to control by the Band's Chief and Council. No inclusion has been made of assets, liabilities, revenue or expenses of Band members, individually or collectively, incorporated or unincorporated, that are not controlled by or the responsibility of the Band's Chief and Council.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments, as established by the Public Sector Accounting Board ("PSAB"), which encompasses the following principles:

#### **(a) Fund accounting:**

The Band 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.

#### **(b) Reporting entity and basis of consolidation:**

The Band's reporting entity includes the St. Mary's Indian Band community government and all related entities and organizations which are accountable for the administration of their financial affairs and resources to the Band and are either owned or controlled by the Band.

##### **i) Consolidated entities:**

These financial statements consolidate the assets, liabilities and results of operations of the following organizations and entities:

The following government not-for-profit organizations have been consolidated:

Social Housing Operation Program  
St. Eugene Church Restoration Society

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 1. Basis of presentation and significant accounting policies (continued):

### (b) Reporting entity and basis of consolidation (continued):

#### ii) Investment in government business enterprises:

The Band records its investments in government business enterprises (GBE) and government business partnerships (GBP) on a modified equity basis. Under the modified equity basis, the GBE's and GBP's accounting policies are not adjusted to conform with those of the Band and inter-organizational transactions and balances are not eliminated. The Band recognizes its equity interest in the annual earnings or loss of the GBE's and GBP's in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Band may receive from the GBE's and GBP's will be reflected as deductions in the investment asset account.

The Band's government business enterprises investments consist of the following:

- Aq'am Resources Ltd. - 100% interest
- Aq'am Community Enterprises Ltd. - 100% interest
- Aq'am Forestry Ltd. - 100% interest
- Aq'am Holdings Ltd. - 100% interest
- Aq'am Water Corporation - 100% interest
- Aq'am Trading Ltd. - 100% interest

Government business partnerships consist of the Band's 99.9% interest in the following partnerships:

- Aq'am Resources Limited Partnership
- Aq'am Community Enterprises Limited Partnership
- Aq'am Forestry Partnership
- Aq'am Holdings Partnership
- Aq'am Trading Limited Partnership

As at and for the years ended March 31, 2015 and 2014, Aq'am Forestry Ltd., Aq'am Holdings Ltd., Aq'am Water Corporation, Aq'am Forestry Partnership and Aq'am Holdings Partnership had not commenced operations. Accordingly, these consolidated financial statements do not include any assets or transactions related to these entities.

#### iii) Investments:

Investments in entities in which the Band does not control individually or jointly are recorded at acquisition cost. If there has been an other than temporary decline in the value of an investment, the investment is written down to its net realizable value.

#### iv) Trust funds:

Trust funds and their related operations administered by the Band (note 15) are not included in these consolidated financial statements.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

---

## 1. Basis of presentation and significant accounting policies (continued):

### (c) Cash and cash equivalents:

Cash and cash equivalents includes, cash and investments in highly liquid money market funds, with a term to maturity of 90 days or less and are readily convertible to cash.

### (d) Revenue recognition:

Government transfers, grants and subsidy revenue are recognized as the Band becomes entitled to the funding under the terms of applicable funding agreements and is recorded in the period in which the resources are used for the purpose specified in the agreements. Restricted funding received which relates to a subsequent fiscal period or which stipulations that give rise to an obligation are reported as deferred revenue until the resources are used for the purpose or purposes specified and/or the stipulations giving rise to an obligation have been met.

Rent and user fee revenue is recognized on a monthly basis as income is earned and when collection is reasonable assured. Property and First Nations tax revenues are recognized at the time the taxes are levied.

Other revenue, including sales of goods and provision of services are recognized in the period the goods or services are provided and the related proceeds are received or receivable.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 1. Basis of presentation and significant accounting policies (continued):

### (e) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation with a corresponding amount recorded as revenue. Tangible capital assets under construction are not amortized until the asset is available or use.

Tangible capital assets are amortized over their expected useful lives as follows:

| Asset          | Basis                               | Amount                    |
|----------------|-------------------------------------|---------------------------|
| Buildings      | Straight-line                       | 2.5 - 5%                  |
| Infrastructure | Straight-line                       | 2%                        |
| Equipment      | Straight-line and declining balance | 10 to 20%<br>6.67%        |
| Automotive     | Straight-line and declining balance | 6.67 - 10%<br>10 - 16.67% |

When management determines that a tangible capital asset no longer contributes to the Band's ability to provide goods and services or that the value of future benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is written down to its net recoverable amount.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 1. Basis of presentation and 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 financial and non-financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant areas requiring management estimates include the recoverable amount of accounts receivable, and the useful lives of and net future economic benefits associated with tangible capital assets. Management reviews these estimates on a periodic basis and at least annually. Where necessary, management makes adjustments to these benefits prospectively.

### (g) Financial instruments:

Financial instruments are initially classified upon initial recognition as a fair value or an amortized cost instrument. Instruments classified as fair value instruments include investments in equity instruments that are quoted in an active market, and any other items elected by the Band to be recorded at fair value. All other financial instruments are recorded at amortized cost. Transaction costs directly attributable to the acquisition or issue of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at amortized cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations. For instruments measured at fair value, unrealized gains or losses are adjusted through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations. As at March 31, 2015, the Band does not have any financial instruments that required or were elected to be recorded at fair value. Accordingly a statement of remeasurement gain (loss) has not been presented.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 1. Basis of presentation and significant accounting policies (continued):

### (h) Budget data:

The budget data presented in these consolidated financial statements have been derived from the budget approved by the Band Chief and Council on May 1, 2014 and the budget amendment approved by the Band Chief and Council on September 4, 2014.

### (i) Segmented disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The Band has determined the most appropriate basis for classifying segments is by program. Segmented disclosures are provided in note 20 and Schedule 2 to the consolidated financial statements.

### (j) Accounting pronouncements issued but not yet effective:

The Public Sector Accounting Board (PSAB) recently issued accounting pronouncements that are applicable to financial statements relating to fiscal years beginning on or after April 1, 2017 as follows; Related Party Disclosures (PS 2200) and Inter-entity Transactions (PS 3420). The Band is in the process of reviewing the impact of these new accounting pronouncements.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 2. Cash and cash equivalents and restricted cash:

The Band maintains its cash balances in several financial institutions in British Columbia. The Canada Deposit Insurance Corporation (CDIC) insures each of these accounts up to \$100,000. The aggregate funds held in each institution may exceed the CDIC insured limit from time to time and specific funds held by each institution may not be covered by CDIC Insurance. Management does not anticipate any material effect on the consolidated financial position of the Band as a result of these concentrations.

Certain cash has been internally restricted by the Band or externally restricted by federal or provincial government authorities for the following specific purposes. These funds have been invested in separate investment funds and cash accounts with interest rates ranging from 1.0% to 1.8%.

|  | 2015                | 2014                |
|--|---------------------|---------------------|
| <b>Internally restricted: (note 11)</b>  |                     |                     |
| Church restoration reserve   | \$ 41,559           | \$ 39,764           |
| Community Economic Investment reserve  | 241,794             | 238,732             |
| Community development reserve  | 702,835             | 773,370             |
| Community health reserve   | 140,857             | 69,885              |
| Education general capital reserve  | 318,975             | 343,653             |
| Future expansion of school (Ottawa Trust withdrawal)                                     | 64,694              | 64,629              |
| Land development reserve   | 1,820,545           | 567,484             |
| Water reserve  | 97,058              | 85,162              |
| Housing Replacement Reserve  | 66,091              | -                   |
| Member Loan Reserve  | 5,000               | -                   |
|  | <u>3,499,408</u>    | <u>2,182,679</u>    |
| <b>Externally restricted:</b>  |                     |                     |
| Trust Funds on deposit with Aboriginal Affairs and Northern Development Canada (note 13) | 65,275              | 1,157,601           |
| Social Housing replacement reserve (note 8)  | 93,852              | 87,100              |
| Community Care replacement reserve (note 8)  | 99,278              | 105,292             |
|  | <u>258,405</u>      | <u>1,349,993</u>    |
|  | <u>\$ 3,757,813</u> | <u>\$ 3,532,672</u> |

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 3. Accounts receivable:

|  | 2015       | 2014       |
|--|------------|------------|
| Aboriginal Affairs and Northern Development Canada (AANDC) | \$ 2,303   | \$ 52,628  |
| Province of British Columbia                               | 142,597    | 131,351    |
| First Nation Education Steering Committee                  | -          | 9,831      |
| Ktunaxa Nation Council                                     | 145,124    | 215,750    |
| St. Eugene Mission Resort                                  | 21,356     | 49,795     |
| Band members   | 41,646     | 40,363     |
| Nupqu Development Limited Partnership.                     | 21,106     | 25,915     |
| Aq'am Resources Limited Partnership                        | -          | 57,200     |
| Aq'am Trading Limited Partnership                          | 5,283      | -          |
| Property tax receivable                                    | 9,375      | 9,375      |
| Other  | 50,448     | 103,056    |
|  | 439,238    | 695,264    |
| Less allowance for doubtful accounts                       | (64,409)   | (35,490)   |
|  | \$ 374,829 | \$ 659,774 |

The Band has performed an analysis of the age of financial assets that are past due as at March 31, 2015 and has recorded an allowance for doubtful accounts of \$64,409 (2014 - \$35,490). The Band's allowance for doubtful accounts is based on an assessment of the nature of the balance and the number days the account has been receivable.



# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 4. Investments:

|   | 2015 | 2014 |
|---|------|------|
| Ktunaxa Holdings Ltd. ("KHL"), shares, at cost                              | \$ 1 | \$ 1 |
| Ktunaxa Holdings Limited Partnership ("KHLP"), limited partnership interest | 1    | 1    |
| SEM Holdings Ltd. ("SHL"), shares, at cost                                  | 2    | 2    |
|   | \$ 4 | \$ 4 |

The Band's investment in KHL consists of 20% beneficial interest in one common share. KHL's primary asset is an investment in KHLP, which holds a 99.99% interest in Nupqu Development Limited Partnership ("NDLP"). NDLP's general partner is Nupqu Development Corporation, in which KHL holds a 100% interest. As the Band, through its investment, does not control or jointly control KHL, the investment has been recorded using the cost method.

The Band holds 20% limited partnership interest in KHLP, in which KHL is the general partner. The Band's investment is recorded at cost as the Band does not control or jointly control KHLP's operations or assets. The Band records earnings from its investment in KHLP based on cash distributions of limited partnership earnings received. The Band's investment consists of its initial cost of \$39,010, less a impairment provision of \$39,009. To March 31, 2015, the Band has not received any limited partnership distributions from KHLP.

The Band's investment in SHL consists of 20% beneficial interest in one common share. SHL's assets include a 33% share of the St. Eugene Mission Resort ("SEM"). As the Band, through its investment, does not control or jointly control SHL, the investment has been recorded using the cost method.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 5. Investments in business enterprises:

|  | 2015              | 2014             |
|--|-------------------|------------------|
| Government business enterprises          | \$ 17             | \$ 2             |
| Government business limited partnerships | 219,500           | 35,788           |
|  | <u>\$ 219,517</u> | <u>\$ 35,790</u> |

### (a) Government business enterprises (GBE):

- (i) The Band has made investments in to wholly-owned incorporated entities, summarized as follows:

|                                   | 2015         | 2014        |
|-----------------------------------|--------------|-------------|
| Aq'am Resources Ltd.:             |              |             |
| Investment in shares, at cost     | \$ 1         | \$ 1        |
| Accumulated equity in earnings    | 14           | -           |
|                                   | <u>15</u>    | <u>1</u>    |
| Aq'am Community Enterprises Ltd.: |              |             |
| Investment in shares, at cost     | 1            | 1           |
| Aq'am Trading Ltd.:               |              |             |
| Investment in shares, at cost     | 1            | -           |
|                                   | <u>\$ 17</u> | <u>\$ 2</u> |

Aq'am Resources Ltd., Aq'am Community Enterprises Ltd., and Aq'am Trading Ltd. are general partners for Aq'am Resources Limited Partnership, Aq'am Community Enterprises Limited Partnership, and Aq'am Trading Limited Partnership, respectively. The fiscal year end of the GBE's is December 31 and the financial information provided below is as at and for the periods ended December 31, 2014, with comparative information for the periods ended December 31, 2013. There were no material changes in the GBE operations from their fiscal year end date to March 31, 2015.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 5. Investments in business enterprises (continued):

(a) Government business enterprises (GBE) (continued):

(ii) Financial information for wholly-owned incorporated entities is summarized as follows:

| 2015                       | Aq'am<br>Trading Ltd. | Aq'am<br>Resources Ltd. | Aq'am Community<br>Enterprises Ltd. |
|----------------------------|-----------------------|-------------------------|-------------------------------------|
| Balance sheet information: |                       |                         |                                     |
| Assets                     | \$ 1                  | \$ 15                   | \$ 1                                |
| Shareholder's equity       | 1                     | 15                      | 1                                   |
| Results of operations:     |                       |                         |                                     |
| Net earnings (loss)        | (1)                   | 20                      | (2)                                 |
| 2014                       | Aq'am<br>Trading Ltd. | Aq'am<br>Resources Ltd. | Aq'am Community<br>Enterprises Ltd. |
| Balance sheet information: |                       |                         |                                     |
| Assets                     | \$ -                  | \$ 1                    | \$ 1                                |
| Shareholder's equity       | -                     | 1                       | 1                                   |
| Results of operations:     |                       |                         |                                     |
| Net earnings (loss)        | -                     | (4)                     | (3)                                 |

(b) Government business partnerships (GBP):

(i) The Band's investment in GBP's consists of the following:

|  | 2015       | 2014      |
|--|------------|-----------|
| Aq'am Resources Limited Partnership:             |            |           |
| Initial partnership capital, at cost             | \$ 1       | \$ 1      |
| Partner's share of net income                    | 202,784    | -         |
|  | 202,785    | 1         |
| Aq'am Community Enterprises Limited Partnership: |            |           |
| Initial partnership capital, at cost             | 10,000     | 10,000    |
| Partner's share of net income                    | 6,714      | 25,787    |
|  | 16,714     | 35,787    |
| Aq'am Trading Limited Partnership.:              |            |           |
| Initial partnership capital, at cost             | 991        | -         |
| Partner's share of net income                    | (990)      | -         |
|  | 1          | -         |
|  | \$ 219,500 | \$ 35,788 |

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 5. Investments in business enterprises (continued):

### (b) Government business partnerships (GBP) (continued):

#### Aq'am Resources Limited Partnership:

Pursuant to an agreement dated July 16, 2012 the Band and Aq'am Resources Ltd. formed a limited partnership, Aq'am Resources Limited Partnership in which the Band is a limited partner holding 99.99% of units. During the year ended December 31, 2014, Aq'am Resources Limited Partnership realized earnings \$202,800, resulting in a recovery for the Band of prior year partnership losses of \$48,636.

#### Aq'am Community Enterprises Limited Partnership:

Pursuant to an agreement dated July 16, 2012 the Band and Aq'am Community Enterprises Ltd. formed a limited partnership, Aq'am Community Enterprises in which the Band is a limited partner holding 99.99% of units.

#### Aq'am Trading Limited Partnership

Pursuant to an agreement dated December 5, 2013 the Band and Aq'am Trading Ltd. formed a limited partnership, Aq'am Trading in which the Band is a limited partner holding 99.99% of units. During its initial year of operations, Aq'am Trading Limited Partnership realized a loss of \$20,670. Accordingly, the Band reduced the value of its net investment in the GBP to \$1.

The fiscal year end of the GBP's is December 31 and the financial information provided below is as at and for the periods ended December 31, 2014, with comparative information for the periods ended December 31, 2013. There were no material changes in the GBP operations from their fiscal year end date to March 31, 2015.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 5. Investments in business enterprises (continued):

(b) Government business partnerships (GBP) (continued):

(ii) Financial information relating to the Band's GBP investments is as follows:

|                            | Aq'am Trading<br>Limited<br>Partnership | Aq'am Resources<br>Limited<br>Partnership | Aq'am Community<br>Enterprises<br>Limited Partnership |
|----------------------------|---|---|---|
| 2015                       |   |   |   |
| Balance sheet information: |   |   |   |
| Assets                     | \$ 42,392                               | \$ 250,359                                | \$ 43,533   |
| Liabilities                | 63,062                                  | 47,560                                    | 26,820  |
| Partnership equity         | (20,670)                                | 202,799                                   | 16,713  |
| Results of operations:     |   |   |   |
| Revenues                   | 17,447                                  | 298,952                                   | - 47,848  |
| Expenses                   | 38,117                                  | 97,512                                    | 66,924  |
| Net earnings (loss)        | (20,670)                                | 201,440                                   | (19,076)  |

|                            | Aq'am Trading<br>Limited<br>Partnership | Aq'am Resources<br>Limited<br>Partnership | Aq'am Community<br>Enterprises<br>Limited Partnership |
|----------------------------|---|---|---|
| 2014                       |   |   |   |
| Balance sheet information: |   |   |   |
| Assets                     | \$ -                                    | \$ 46,257                                 | \$ 35,789   |
| Liabilities                | -                                       | 46,255                                    | -   |
| Partnership equity         | -                                       | 2   | 35,789  |
| Results of operations:     |   |   |   |
| Revenues                   | -                                       | 322,702                                   | -   |
| Expenses                   | -                                       | 334,205                                   | 9,211   |
| Net earnings (loss)        | -                                       | (11,503)                                  | (9,211)   |

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 6. Deferred revenue:

Deferred revenue represents monies received of which the funds are restricted for specific projects or programs and of which the expenses have not yet been incurred.

|                               | 2015              | 2014                |
|-------------------------------|-------------------|---------------------|
| Unexpended AANDC funding      | \$ 31,363         | \$ 689,841          |
| Province of British Columbia  | 242,460           | 335,408             |
| Ktunaxa Nation Council        | -                 | 38,828              |
| Columbia Basin Trust          | 40,000            | 120,000             |
| First Nation Health Authority | -                 | 19,891              |
| Other                         | 45,889            | 54,372              |
|                               | <b>\$ 359,712</b> | <b>\$ 1,258,340</b> |

The net change in deferred revenue for the year was as follows:

|                                    | 2015              | 2014                |
|------------------------------------|-------------------|---------------------|
| Balance beginning of year          | \$ 1,258,340      | \$ 405,625          |
| Contributions received in the year | 991,161           | 1,250,357           |
| Amounts recorded in revenue        | (1,889,790)       | (397,642)           |
| Balance, end of year               | <b>\$ 359,712</b> | <b>\$ 1,258,340</b> |

## 7. Long-term debt:

|  | 2015              | 2014              |
|--|-------------------|-------------------|
| <b>Social Housing Program</b>  |                   |                   |
| Mortgage, repayable in monthly instalments of \$4,264 including interest at 2.75%, matures December 2020                               | \$ 271,927        | \$ 315,021        |
| <b>Community Care Centre Building</b>  |                   |                   |
| Mortgage, secured by the guarantee from AANDC, repayable in monthly instalments of \$4,701 plus interest at 1.82%, matures August 2019 | 239,265           | 290,278           |
|  | <b>\$ 511,192</b> | <b>\$ 605,299</b> |

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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

Scheduled principal payments on long-term debt for the next five years are as follows:

|      |    |         |
|------|----|---------|
| 2016 | \$ | 96,748  |
| 2017 |    | 98,944  |
| 2018 |    | 101,191 |
| 2019 |    | 103,492 |
| 2020 |    | 72,809  |

## 8. Replacement reserves:

Under the terms of the Band's agreements with CMHC, a Replacement Reserve account is to be credited by an amount determined on an annual basis. The amount credited to the Social Housing program replacement reserve account for the year was \$10,673. These funds, along with accumulated interest, must be held in separate bank accounts and/or invested only in accounts or instruments insured by CDIC, or as may otherwise be approved by CMHC. The funds may only be expended as approved by CMHC.

The change in the replacement reserves is calculated as follows:

|                           |    | Beginning<br>balance | Contributions | Interest | Approved<br>expenses | Ending<br>balance |
|---------------------------|----|----------------------|---------------|----------|----------------------|-------------------|
| Social Housing<br>program | \$ | 87,100               | \$ 10,673     | \$ 789   | \$ (4,710)           | \$ 93,852         |
| Community Care<br>program |    | 105,142              | -             | 1,450    | (7,314)              | 99,278            |
|                           | \$ | 192,242              | \$ 10,673     | \$ 2,239 | \$ (12,024)          | \$ 193,130        |

The replacement reserve for the Community Care program is currently overfunded by \$150 (2013 - \$149).

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 9. Tangible capital assets:

| March 31, 2015              | Buildings    | Infrastructure | Equipment & Automotive | Construction in Progress | Total        |
|-----------------------------|--------------|----------------|------------------------|--------------------------|--------------|
| Cost:                       |              |                |                        |                          |              |
| Beginning of year           | \$ 5,716,774 | \$ 1,802,105   | \$ 1,224,320           | \$ 434,333               | \$ 9,177,532 |
| Acquisitions                | 88,214       | 1,497,032      | 104,061                | 294,206                  | 1,983,517    |
| Disposals                   | (52,874)     | -              | -                      | -                        | (52,874)     |
| Transfers                   |              | 233,692        | -                      | (233,692)                | -            |
| Balance, end of year        | 5,752,114    | 3,532,829      | 1,328,381              | 494,847                  | 11,108,175   |
| Accumulated amortization:   |              |                |                        |                          |              |
| Balance, beginning of year  | 1,825,411    | 795,308        | 939,888                | -                        | 3,560,607    |
| Amortization                | 182,230      | 55,443         | 54,227                 | -                        | 291,900      |
| Disposals                   | (27,074)     | -              | -                      | -                        | (27,074)     |
| Loss on write-down          | -            | -              | 32,429                 | -                        | 32,429       |
| Balance, end of year        | 1,980,567    | 850,750        | 1,026,544              | -                        | 3,857,861    |
| Net book value, end of year | \$ 3,771,547 | \$ 2,682,082   | \$ 301,837             | \$ 494,847               | \$ 7,250,314 |

Construction in progress includes amounts paid to March 31, 2015, consisting of amounts paid of \$491,212 and holdback payables of \$3,634, in relation to an infrastructure project for a heating facility.



# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 9. Tangible capital assets (continued):

| March 31, 2014              | Buildings    | Infrastructure | Equipment & Automotive | Construction in Progress | Total        |
|-----------------------------|--------------|----------------|------------------------|--------------------------|--------------|
| Cost:                       |              |                |                        |                          |              |
| Balance, beginning of year  | \$ 5,547,499 | \$ 2,108,365   | \$ 1,205,168           | \$ 280,865               | \$ 9,141,897 |
| Acquisitions                | 169,275      | -              | 19,152                 | 153,467                  | 341,894      |
| Loss on write-down          | -            | (306,260)      | -                      | -                        | (306,260)    |
| Balance, end of year        | 5,716,774    | 1,802,105      | 1,224,320              | 434,332                  | 9,177,531    |
| Accumulated amortization:   |              |                |                        |                          |              |
| Balance, beginning of year  | 1,648,257    | 791,423        | 880,777                | -                        | 3,320,457    |
| Amortization                | 177,154      | 34,375         | 59,111                 | -                        | 270,640      |
| Loss on write-down          | -            | (30,491)       | -                      | -                        | (30,491)     |
| Balance, end of year        | 1,825,411    | 795,307        | 939,888                | -                        | 3,560,606    |
| Net book value, end of year | \$ 3,891,363 | \$ 1,006,798   | \$ 284,432             | \$ 434,332               | \$ 5,616,925 |

## 10. Accumulated surplus:

|   | 2015          | 2014         |
|---|---------------|--------------|
| Financial surplus:                            |               |              |
| Unrestricted operating surplus                | \$ 489,898    | \$ 433,409   |
| Internally restricted surplus (note 11)       | 3,499,408     | 2,182,679    |
|   | 3,989,306     | 2,616,088    |
| Invested in tangible capital assets (note 12) | 6,739,122     | 5,011,626    |
| Externally restricted surplus (note 13)       | 65,275        | 1,174,715    |
|   | \$ 10,793,703 | \$ 8,802,429 |

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 11. Internally restricted surplus:

|                               | Beginning<br>balance | Contributions | Interest  | Approved<br>Expenses | Ending<br>Balance |
|-------------------------------|----------------------|---------------|-----------|----------------------|-------------------|
| Community development         | \$ 773,370           | \$ 2,263      | \$ 7,202  | \$ (80,000)          | \$ 702,835        |
| Education general capital     | 343,653              | -             | 3,607     | (28,285)             | 318,975           |
| Church Restoration            | 39,764               | 1,375         | 420       | -                    | 41,559            |
| Land development              | 567,484              | 1,241,631     | 11,430    | -                    | 1,820,545         |
| Ottawa trust withdrawal       | 64,629               | -             | 65        | -                    | 64,694            |
| Water                         | 85,162               | 11,145        | 751       | -                    | 97,058            |
| Community economic investment | 238,732              | 40,000        | 3,062     | (40,000)             | 241,794           |
| Community health              | 69,885               | 70,102        | 870       | -                    | 140,857           |
| Housing replacement reserve   | -                    | 65,485        | 606       | -                    | 66,091            |
| Member loans                  | -                    | 5,000         | -         | -                    | 5,000             |
|                               | \$ 2,182,679         | \$ 1,437,001  | \$ 28,013 | \$ (148,285)         | \$ 3,499,408      |

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 12. Invested in tangible capital assets:

(a) Investment in tangible capital assets:

|                         | 2015         | 2014         |
|-------------------------|--------------|--------------|
| Tangible capital assets | \$ 7,250,314 | \$ 5,616,925 |
| Less financed by:       |              |              |
| Long-term debt          | (511,192)    | (605,299)    |
|                         | \$ 6,739,122 | \$ 5,011,626 |

(b) Change in invested in tangible capital assets:

|  | 2015         | 2014         |
|--|--------------|--------------|
| Balance, beginning of year                       | \$ 5,011,626 | \$ 5,124,934 |
| Acquisition of tangible capital assets           | 1,983,517    | 341,894      |
| Amortization of tangible capital assets          | (291,900)    | (270,640)    |
| Disposal or writedown of tangible capital assets | (58,228)     | (275,769)    |
| Repayment of long-term debt                      | 94,107       | 91,207       |
| Balance, end of year                             | \$ 6,739,122 | \$ 5,011,626 |

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 13. Externally restricted surplus:

Trust funds on deposit with AANDC consist of the following:

|         | Beginning<br>balance | Contributions | Interest | Approved<br>Transfers | Ending<br>Balance |
|---------|----------------------|---------------|----------|-----------------------|-------------------|
| Capital | \$ 65,275            | \$ -          | \$ -     | \$ -                  | \$ 65,275         |
| Revenue | 1,109,440            | -             | -        | (1,109,440)           | -                 |
|         | \$ 1,174,715         | \$ -          | \$ -     | \$ (1,109,440)        | \$ 65,275         |

The 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. These funds are restricted in their use, of which the Band is generally permitted to use for a purpose that will promote the general progress and welfare of the Band and Band members. The management of the funds is primarily governed by the sections of the Indian Act. During the year ended March 31, 2015, the Band transferred \$1,109,440 from externally restricted equity held by the Ottawa Trust to internally restricted equity for land use. The transfer was instigated by AANDC when the Band's land code was ratified during the year, giving the Band management over the land, rather than AANDC.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 14. Commitments and contingencies:

(a) Operating lease commitments:

The Band has non-cancelable operating lease commitments at an annual amount of \$10,009 annually until January 2017.

(b) Garbage removal contract

As of March 31, 2014, the Band entered in a garbage removal contract for an annual amount of \$27,310 ending March 31, 2016

The total lease and expenditure commitments described in (a) and (b) for the next two years is as follows:

|      |    |        |
|------|----|--------|
| 2016 | \$ | 37,319 |
| 2017 |    | 8,341  |
|      | \$ | 45,660 |

(c) Housing loan guarantees:

The Band is contingently liable as a guarantor of a housing loan for a Band member of approximately \$148,000 under the First Nation Market Housing Fund.

## 15. Trust funds:

Funds held in trust and administered by the Band, in the amount of \$17,992 (2014 - \$20,020) are not included within the financial statements.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 16. Related party transactions:

- (a) The St. Mary's Indian Band is one of four Indian Bands that comprise the Ktunaxa Nation Council. Transactions with the Ktunaxa Nation Council during the year consisted of funding received for various programs of \$608,362 (2014 - \$569,013). All of the identified transactions are encompassed within the Ktunaxa Nation Council financial statement caption.
- (b) Fees of \$85,424 (2014 - \$118,036) were charged to St. Eugene Mission Resort in relation to a Water Service Agreement signed in 2012, which has been recorded in User Fee revenue.
- (c) The Band paid Nupqu Development Limited Partnership \$29,200 (2014 - \$40,920) for fuel treatment and wildfire prevention contracts and received \$74,807 (2014 - \$49,330) in revenue for timber licenses and fuel treatment, which has been recorded in grant revenue.
- (d) Rent revenue of \$62,200 (2014 - \$57,850) from the Ktunaxa Kinbasket Child and Family Social Services. This has been recorded as rent and lease income.
- (e) The Band paid Aq'am Resources Limited Partnership \$29,200 (2014 - \$37,549) related to multiple contracts between the parties.

These transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related parties.

## 17. Employee future benefits:

The Band matches employee contributions to a defined contribution plan, which is administered by Great West Life. The total pension expense, representing employer contributions to the plan, for the year was \$75,203 (2014 - \$70,793)

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 18. Financial risks and concentration of risks:

(a) Credit risk:

Credit risk refers to the risk that counterparty may default on its contractual obligations resulting in a financial loss. The Band holds its cash and cash equivalents, with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Band's cash accounts are insured up to \$300,000.

(b) Interest rate and cash flow risk:

Interest rate risk relates to the impact of changes in interest rates on the Band's future cash inflows from its investments and future cash outflows on its long-term debt. The Band's cash and cash equivalents are held in cash or short term money market instruments, accordingly, the Band is not subject to significant interest rate risk in regards to these financial assets.

The Band is subject to interest rate and cash flow risk with respect to its long-term debt, which bears interest at fixed rates based on the lenders' 5 year interest rates. For the year ended March 31, 2015, the Band's interest on its long-term debt loan and mortgages were not subject to significant interest rate risk. The Band manages interest rate risk through negotiations with lenders at origination or renewal of loan agreements.

(c) Liquidity risk:

Liquidity risk is the risk that the Band will not be able to meet its financial obligations as they become due. For the year ended March 31, 2015, mortgages are secured by AANDC or by redirection of AANDC funding. The Band monitors the maturity of its financial liabilities and assesses whether it has sufficient cash to settle these financial obligations when due.

The Band is subject to non-financial covenants and restrictions in relation to its long-term debt loan and mortgages. As at March 31, 2015, the Band was in compliance with these covenants and restrictions.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

## 18. Financial risks and concentration of risks (continued):

(b) Liquidity risk (continued):

The following table summarizes the contractual maturities of the Band's financial liabilities:

| In thousands of dollars                  | March 31, 2015 |              |             |          |
|--|----------------|--------------|-------------|----------|
|  | On demand      | Up to 1 year | Over 1 year | Total    |
| Accounts payable and accrued liabilities | \$ 1,056       | \$ -         | \$ -        | \$ 1,056 |
| Long term debt                           | -              | 97           | 414         | 511      |
| Replacement reserves                     | 193            | -            | -           | 193      |
|  | \$ 1,249       | \$ 97        | \$ 414      | \$ 1,760 |

| In thousands of dollars                  | March 31, 2014 |              |             |          |
|--|----------------|--------------|-------------|----------|
|  | On demand      | Up to 1 year | Over 1 year | Total    |
| Accounts payable and accrued liabilities | \$ 621         | \$ -         | \$ -        | \$ 621   |
| Long-term debt                           | -              | 96           | 509         | 605      |
| Replacement reserves                     | 192            | -            | -           | 192      |
|  | \$ 813         | \$ 96        | \$ 509      | \$ 1,418 |

## 19. Economic dependence:

The Band receives a major portion of its revenues pursuant to a funding agreement with AANDC. Any disruption in this funding could have a negative effect on Band operations.



# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 20. Segmented information:

Segmented information has been identified based upon lines of service provided by the Band. Band services are provided by departments and their activities are reported by functional are in the body of the financial statements. Certain lines of service that have been separately disclosed are summarized below, with activity for the year ended March 31, 2015 summarized in schedule 2.

(a) Administration

Administration provides the functions of corporate administration, finance, human resources, legislative services, and elected officials.

(b) Education

Education is responsible for administering and facilitating education programs such as secondary education, university qualifying credit courses and community education programs.

(c) Elementary School

Elementary school is responsible for administering and facilitating on-reserve education programs and services from kindergarten to grade seven.

(d) Social Development

Social development provides social programs to Band members.

(e) Maintenance of Facilities

Maintenance of facilities includes funding for and expenses related to the repair and maintenance of the Band's land, community waters systems, roads, equipment and buildings.

(f) A'qamnik Daycare

A'qamnik Daycare relates to the operation of a daycare for pre-school aged children under Province of British Columbia licensing.

(g) Community Services

Community services includes salaries and expenses related to the operation of a community health and wellness programs to Band members.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 20. Segmented information (continued):

(h) Rental Housing

Rental housing includes revenue and expenses related to rental housing units owned or managed on behalf of others by the Band.

(i) St. Eugene Church Restoration Society

St. Eugene Church Restoration Society is a non-profit organization whose primary operation is the maintenance and restoration of the St. Eugene Church.

(j) Taxation

Taxation includes revenues from property tax levies, goods and services tax and funds received from impact benefits and costs related to the administration of the property taxation department.

(k) Lands and Resource Management

Lands and resource management includes revenue and expenses related to the management and planning of the Band's land and resources.

(l) Social Housing Program

The Social Housing Program administers the CMHC program to provide and advocate for secure, affordable housing under the CMHC program Phase 11.

(m) Water System

Water system includes revenue and expenses related to the operation of the Band's Lot 10 water system.

(n) After School Program

After School Program relates to the operation of after school and summer programs for school aged children.

(o) A'qam Native Plant Nursery

The A'qam Native Plant Nursery has been inactive since 2008.

# ST. MARY'S INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2015

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## 20. Segmented information (continued):

(p) Member Capital

Member Capital includes grant and other funding and related expenses for the upgrade and addition to the Band's tangible capital assets.

(q) National Child Benefit

National Child Benefit includes grant funding and related expenses specific to AANDC's National Child Benefit initiative.

(r) Economic Development

Economic development includes revenues and expenses related to administering and facilitating new business opportunities and projects for the Band.

(s) Aq'am Community Care Centre Program

Aq'am Community Care Centre Program includes revenues and expenses related to operating a community centre for the band members and programs the care centre administers.

# ST. MARY'S INDIAN BAND

## Schedule 1 - Consolidated Expenses by Object

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

|   | 2015                | 2014                |
|---|---------------------|---------------------|
| Accounting and legal                                      | \$ 10,139           | \$ 59,142           |
| Amortization  | 291,900             | 270,640             |
| Automotive  | 36,013              | 59,625              |
| Bad debts   | 28,918              | 13,220              |
| Bank charges and interest                                 | 22,644              | 31,073              |
| Consulting  | 429,005             | 91,679              |
| Education   | 298,055             | 345,658             |
| Grants and bursaries                                      | 142,924             | 128,550             |
| Honouraria  | 108,715             | 59,231              |
| Housing   | 37,540              | 1,278               |
| Insurance   | 47,736              | 43,320              |
| Loss on write-down or disposal of tangible capital assets | 58,228              | 275,769             |
| Miscellaneous   | 36,851              | 925                 |
| Programming   | 264,335             | 321,880             |
| Repairs and maintenance                                   | 201,381             | 176,106             |
| Replacement reserve                                       | 11,461              | 10,673              |
| FNGST sharing payments                                    | 39,940              | 13,727              |
| Social Health and child benefits                          | 150,829             | 190,423             |
| Supplies  | 196,007             | 164,053             |
| Telephone   | 12,274              | 21,173              |
| Training  | 21,966              | 24,545              |
| Travel  | 37,204              | 40,641              |
| Utilities   | 53,945              | 61,104              |
| Wages and benefits  | 2,040,933           | 1,940,615           |
|   | <b>\$ 4,578,943</b> | <b>\$ 4,345,050</b> |