

CAMPBELL RIVER INDIAN BAND

FINANCIAL STATEMENTS

MARCH 31, 2017

**CAMPBELL RIVER INDIAN BAND
FINANCIAL STATEMENTS
MARCH 31, 2017**

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CAMPBELL RIVER INDIAN BAND
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
MARCH 31, 2017

The accompanying financial statements of Campbell River Indian Band are the responsibility of management and have been approved by the Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of CPA Canada and as such include amounts that are the best estimates and judgments of management.

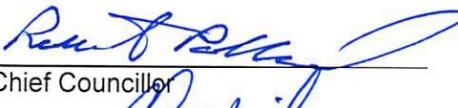
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

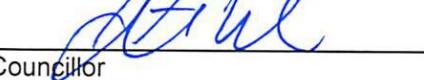
The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, Moeller Matthews, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Campbell River Indian Band and meet when required.

On behalf of Campbell River Indian Band:



Chief Councillor


Councillor

July 31, 2017
Date
July 31, 2017
Date

Independent Auditors' Report

To the Members of Campbell River Indian Band

We have audited the accompanying financial statements of Campbell River Indian Band, which comprise the statement of financial position as at March 31, 2017, and the statements of revenue, expenditures and accumulated surplus, change in net financial assets, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation's preparation and fair presentation of the 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 First Nation'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 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 financial statements present fairly, in all material respects, the financial position of Campbell River Indian Band as at March 31, 2017, and the results of its operations, the changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Campbell River, British Columbia
July 31, 2017

Moeller Matthews
Chartered Professional Accountants

CAMPBELL RIVER INDIAN BAND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017

	2017	2016
	\$	\$
Financial Assets		
Cash (Note 2)	9,927,030	10,462,468
Accounts receivable (Note 3)	1,593,590	708,720
Inventories for resale (Note 4)	254,478	191,842
Trust funds held by Federal Government (Note 5)	217,082	216,968
<u>Investments in Government Business Partnerships (Note 6)</u>	<u>14,897,445</u>	<u>10,783,042</u>
	26,889,625	22,363,040
Liabilities		
Bank indebtedness (Note 7)	-	2,777
Accounts payable (Note 8)	968,248	878,790
Deferred revenue (Note 9)	4,855,790	5,336,476
<u>Long-term debt (Note 10)</u>	<u>4,265,346</u>	<u>4,308,112</u>
	10,089,384	10,526,155
Net financial assets	16,800,241	11,836,885
Non-financial Assets		
Tangible capital assets (Note 11)	27,849,731	27,167,265
<u>Prepaid expenses</u>	<u>87,119</u>	<u>101,688</u>
	27,936,850	27,268,953
Accumulated Surplus	44,737,091	39,105,838

Approved on behalf of the Campbell River Indian Band

Ron Tully, Chief Councillor
AT W, Councillor

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

CAMPBELL RIVER INDIAN BAND
STATEMENT OF REVENUE, EXPENDITURES AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenue			
Federal Government:			
Indigenous and Northern Affairs Canada	5,249,499	5,180,332	2,900,927
Ottawa Trust Funds	6,000	5,968	6,265
Canada Mortgage and Housing Corporation	195,035	195,035	53,713
First Nations Health Authority - Set Contribution	81,598	81,598	71,563
Environment Canada - Set Contribution	-	-	15,000
Province of British Columbia	299,738	299,738	299,738
School District 72	45,060	46,376	43,753
Taxation	2,235,422	2,253,805	2,219,074
Income from government business partnerships	1,525,000	4,405,983	1,581,204
Rent and land leases	814,969	818,779	791,705
Sales	1,200,000	1,251,254	1,204,992
Other	1,363,619	1,235,329	975,435
	13,015,940	15,774,197	10,163,369
Expenditures			
Band Government	4,155,143	3,428,274	3,477,134
Education	1,844,255	1,839,290	1,642,686
Health	142,011	149,151	136,928
Economic Development	1,954,193	1,332,188	1,233,733
Housing and Lands	2,627,778	2,475,480	932,911
Community and Social Services	816,886	753,242	798,615
Employment Programs	192,579	165,319	120,441
	11,732,845	10,142,944	8,342,448
Annual surplus	1,283,095	5,631,253	1,820,921
Accumulated surplus at beginning of year	39,105,838	39,105,838	37,284,917
Accumulated surplus at end of year	40,388,933	44,737,091	39,105,838

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

CAMPBELL RIVER INDIAN BAND
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget (Unaudited)	2017 Actual	2016 Actual
	\$	\$	\$
Annual surplus	1,283,095	5,631,253	1,820,921
Acquisition of tangible capital assets	-	(1,598,559)	(1,426,602)
Amortization of tangible capital assets	845,000	916,093	874,659
	845,000	(682,466)	(551,943)
Acquisition of prepaid asset	-	(57,487)	(49,833)
Use of prepaid asset	-	72,056	98,421
	-	14,569	48,588
Increase in net financial assets	2,128,095	4,963,356	1,317,566
Net financial assets at beginning of year	11,836,885	11,836,885	10,519,319
Net financial assets at end of year	13,964,980	16,800,241	11,836,885

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

CAMPBELL RIVER INDIAN BAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
	\$	\$
Cash flows from Operating activities		
Annual surplus	5,631,253	1,820,921
Items not affecting cash		
Amortization	916,093	874,659
Income from government business partnerships	(4,405,983)	(1,581,204)
	2,141,363	1,114,376
Change in non-cash operating working capital		
Accounts receivable	(884,870)	64,232
Inventories for resale	(62,636)	(50,510)
Prepaid expenses	14,569	48,588
Accounts payable	89,458	(30,729)
Deferred revenue	(480,686)	267,853
Trust funds held by Federal Government	(114)	136
	817,084	1,413,946
Capital activities		
Purchase of tangible capital assets	(1,598,559)	(1,426,602)
Financing activities		
Change in bank indebtedness	(2,777)	(32,798)
Repayment of long-term debt	(254,968)	(115,410)
Advances of long-term debt	212,202	1,600,924
	(45,543)	1,452,716
Investing activities		
Distributions from government business partnerships	291,580	260,977
Increase (decrease) in cash and cash equivalents	(535,438)	1,701,037
Cash and cash equivalents, beginning of year	10,462,468	8,761,431
Cash and cash equivalents, end of year	9,927,030	10,462,468

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

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

1. Basis of Presentation and Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Principles of consolidation

The following investments in government business partnerships are included in the financial statements using the modified equity basis of accounting.

Under the modified equity method of accounting, only the investment in the government business partnerships and the partnership's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the Campbell River Indian Band.

Government business partnerships accounted for on a modified equity basis include:

1. CRIBCO Limited Partnership (99.99%)
2. CRIBCO Forest Products Limited Partnership (99.99%)
3. A-tlegay Fisheries Limited Partnership (23.50%)
4. Laich-Kwil-Tach Environmental Assessments Limited Partnership (50%)
5. Discovery Harbour Shopping Centre (25.00%)
6. Discovery Crescent Shopping Centre (50.00%)
7. Discovery Residential Holdings Ltd. (Lot 4) joint venture (50%)
8. Laich-Kwil-Tach Wood Trucking Joint Venture (45%)
9. Nanwakolas Timber Limited Partnership (17.31%)

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances held with banks and term deposits having a maturity of one year or less at acquisition.

(c) Inventories for resale

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

1. Basis of Presentation and Significant Accounting Policies (continued)

(d) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Amortization is provided for at the following rates and methods:

Buildings	4% Declining balance
Community Infrastructure	4% Declining balance
Furniture, Equipment and Vehicles	20% Declining balance

Tangible capital assets are written down when conditions indicate that they no longer contribute to Campbell River Indian Band's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(e) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

(f) Measurement uncertainty

In preparing the financial statements for the Campbell River Indian Band, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. The main estimates used in preparing these financial statements include allowances for doubtful accounts and amortization. Actual results could differ from these estimates.

**CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

1. Basis of Presentation and Significant Accounting Policies (continued)

(g) Inventory

Inventory is recorded at the lower of cost and net realizable value.

(h) Surplus recoveries and deficit funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

2. Cash

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Campbell River Indian Band must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as to the replacement reserve.

	2017 \$	2016 \$
Externally restricted		
Social Housing replacement reserve	53,917	54,283
Social Housing operating reserve	42,973	35,428
	<hr/> <u>96,890</u>	<hr/> <u>89,711</u>
Unrestricted		
Operating	9,830,140	10,372,757
	<hr/> <u>9,927,030</u>	<hr/> <u>10,462,468</u>

3. Accounts receivable

	2017 \$	2016 \$
Due from Discovery Harbour Authority	108,310	108,310
Due from Indigenous and Northern Affairs Canada	654,711	25,970
Due from Canada Mortgage and Housing Canada	44,011	4,475
Due from Taxpayers	567,738	558,855
Due from Nyrstar Myra Falls Ltd.	6,513	-
Due from Others	432,560	282,872
Due from Members	<u>93,828</u>	<u>19,355</u>
Allowance for doubtful accounts	1,907,671	999,837
	<u>(314,081)</u>	<u>(291,117)</u>
	<hr/> <u>1,593,590</u>	<hr/> <u>708,720</u>

4. Inventories for resale

	2017 \$	2016 \$
Wei Wai Kum House of Treasures	<u>254,478</u>	<u>191,842</u>

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

5. Trust funds held by federal government

Trust fund accounts arise from moneys 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	March 31, 2016	Additions, 2017	Withdrawals, 2017	March 31, 2017
Capital	\$ 214,824	\$ -	\$ -	\$ 214,824
Revenue	2,144	5,968	(5,854)	2,258
	<hr/> <u>216,968</u>	<hr/> <u>5,968</u>	<hr/> <u>(5,854)</u>	<hr/> <u>217,082</u>

6. Investments in Government Business Partnerships

	2017	2016
CRIBCO Limited Partnership (99.99%)	\$ 6,333,321	\$ 5,961,860
CRIBCO Forest Products Limited Partnership (99.99%)	2,239,555	1,389,073
A-tlegay Fisheries Limited Partnership (23.50%)	634,912	485,197
Laich-Kwil-Tach Environmental Assessments LP (50%)	569,035	470,045
Discovery Harbour Shopping Centre (25.00%)	2,217,030	1,590,282
Discovery Crescent Shopping Centre (50.00%)	752,084	670,389
Discovery Residential Holdings Ltd. (Lot 4) joint venture (50%)	221,774	216,196
Laich-Kwil-Tach Wood Trucking Joint Venture (45%)	34,452	-
Nanwakolas Timber Limited Partnership (17.31%)	1,895,282	-
	<hr/> <u>14,897,445</u>	<hr/> <u>10,783,042</u>

The following is a description of the activities of each commercial enterprise:

1. CRIBCO Limited Partnership operates a marina and marine fuel dock.
2. CRIBCO Forest Products Limited Partnership harvests timber for sale.
3. A-tlegay Fisheries Limited Partnership acquires and manages various fishing licenses and quota.
4. Laich-Kwil-Tach Environmental Assessments LP conducts environmental assessments.
5. Discovery Harbour Shopping Centre is a shopping centre that leases to commercial tenants.
6. Discovery Crescent Shopping Centre is a real estate project that leases to commercial tenants.
7. Discovery Residential Holdings Ltd. (Lot 4) joint venture sub leases lands for a boat repair yard.
8. Laich-Kwil-Tach Wood Trucking Joint Venture contracts rock hauling and rock sales related to the John Hart Dam project
9. Nanwakolas Timber Limited Partnership harvests and manages timber.

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

6. Investments in Government Business Partnerships, continued

	CRIBCO Limited Partnership (99.99%)	CRIBCO Forest Products Limited Partnership (99.99%)	A-tlegay Fisheries Limited Partnership (23.50%)	Laich-Kwil- Tach Environment al Assessme nts Limited Partnership (50%)	Discovery Harbour Shopping Centre (25.00%)
Assets	\$ 6,217,896	\$ 3,362,341	\$ 2,709,460	\$ 1,349,444	\$ 5,802,266
Liabilities	\$ 1,170,836	\$ 1,121,067	\$ 7,441	\$ 211,358	\$ 35,127,680
Equity (deficit)	5,047,060	2,241,274	2,702,019	1,138,086	(29,325,414)
	6,217,896	3,362,341	2,709,460	1,349,444	5,802,266
Revenue	\$ 8,772,747	\$ 5,949,307	\$ 833,852	\$ 1,588,265	\$ 7,252,246
Expenses	8,301,286	5,097,973	196,705	1,534,280	5,045,255
Net Income	471,461	851,334	637,147	53,985	2,206,991

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

6. Investments in Government Business Partnerships, continued

	Discovery	Residential	Laich-Kwil-	Nanwakolas
	Discovery	Holdings Ltd.	Tach Wood	Timber
	Crescent	(Lot 4) joint	Trucking	Limited
	Shopping	venture	Joint Venture	Partnership
	Centre	(50%)	(45%)	(17.31%)
	(50.00%)	(50%)	(45%)	(17.31%)
Assets	\$ 4,209,197	\$ 424,774	\$ 1,056,187	\$ 11,484,665
Liabilities	\$ 2,789,637	\$ 1,226	\$ 980,981	\$ 44,300
Equity	1,419,560	423,548	75,206	11,440,365
	4,209,197	424,774	1,056,187	11,484,665
Revenue	\$ 810,177	\$ 78,314	\$ 3,316,804	\$ 1,729,772
Expenses	550,787	29,158	3,240,244	92,715
Net income	259,390	49,156	76,560	1,637,057

7. Bank indebtedness

	2017	2016
	\$	\$
Bank of Montreal; interest at prime plus 1%, authorized limit of \$100,000	-	2,777

8. Accounts payable

	2017	2016
	\$	\$
Government remittances payable	\$ 11,729	\$ 14,249
City of Campbell River	274,032	264,186
School District #72	374,105	339,456
Raylec Power LP	74,569	-
Other trade payables	233,813	260,899
	968,248	878,790

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

9. Deferred revenue

	March 31, 2016	Funding received, 2017	Revenue recognized, 2017	March 31, 2017
	\$	\$	\$	\$
INAC - Capital Funding				
NTMA - Municipal Services 9-00125557	-	654,711	(654,389)	<u>322</u>
Prepaid Rent				
Home Depot - prepaid rent	1,754,890	-	(42,672)	1,712,218
Walmart - prepaid rent	3,190,392	-	(75,469)	3,114,923
Telus - prepaid rent	-	11,321	-	11,321
Members - prepaid social housing rent	2,775	31,372	(30,891)	3,256
	<u>4,948,057</u>	<u>42,693</u>	<u>(149,032)</u>	<u>4,841,718</u>
Sales and other				
United Church	-	11,250	-	11,250
Coast Opportunity Funds	386,034	-	(386,034)	-
Prepaid signage revenue	1,500	500	(1,500)	500
House of Treasures - prepaid sales	885	2,000	(885)	2,000
	<u>388,419</u>	<u>13,750</u>	<u>(388,419)</u>	<u>13,750</u>
	<u>5,336,476</u>	<u>711,154</u>	<u>(1,191,840)</u>	<u>4,855,790</u>

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

10. Long-term debt

	2017 \$	2016 \$
Bank of Montreal (Thunderbird Hall); loan repayable at \$6,786 per month plus interest at prime plus 1%. This loan is due on demand.	234,285	315,714
Bank of Montreal (New Band Office); loan repayable at \$16,407 per month including interest at 2.86%. This loan matures on August 31, 2021.	2,540,611	2,651,191
All Nations Trust Company (Social Housing); loan repayable at \$614 per month including interest at 1.23%, guaranteed by Canada Mortgage and Housing Corporation.	55,583	62,230
Bank of Montreal (6-Plex); loan repayable at \$1,469 per month including interest at 2.86%. This loan matures on August 31, 2021.	221,034	227,764
TD Canada Trust (Social Housing); loan repayable at \$1,408 per month including interest at 3.59%, guaranteed by Canada Housing and Mortgage Corporation.	89,392	102,834
Bank of Montreal (Campsite); loan repayable at \$1,468 per month including interest at 3.85%. This loan matures on April 30, 2020.	51,101	66,433
All Nations Trust Company (Social Housing); loan repayable at \$2,381 per month including interest at 2.04%, guaranteed by Canada Housing and Mortgage Corporation.	410,514	430,549
All Nations Trust Company (Social Housing); loan repayable at \$864 per month including interest at 1.77%, guaranteed by Canada Housing and Mortgage Corporation.	193,578	200,473
All Nations Trust Company (Social Housing); loan repayable at \$1,816 per month including interest at 1.05%, guaranteed by Canada Housing and Mortgage Corporation.	469,248	250,924
	4,265,346	4,308,112

Estimated total principal payments for the next five years are as follows:

2018	449,479
2019	221,027
2020	783,164
2021	180,959
2022 and thereafter	2,630,717
	4,265,346

**CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

11. Tangible Capital Assets

	Cost	Accumulated amortization				
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year
Land	\$ 5,997,376	\$ 654,389	\$ 6,651,765	\$ -	\$ -	\$ 6,651,765
Buildings	8,981,151	154,784	9,135,935	1,650,434	275,407	1,925,841
Community Infrastructure	19,668,051	706,817	20,374,868	6,064,427	580,753	6,645,180
Furniture, Equipment and Vehicles	653,917	82,569	736,486	418,369	59,933	478,302
	35,300,495	1,598,559	36,899,054	8,133,230	916,093	9,049,323
						27,849,731
	Cost	Accumulated amortization				
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year
Land	\$ 5,997,376	\$ -	\$ 5,997,376	\$ -	\$ -	\$ 5,997,376
Buildings	7,706,552	1,274,599	8,981,151	1,387,488	262,946	1,650,434
Community Infrastructure	19,668,051	-	19,668,051	5,496,143	568,284	6,064,427
Furniture, Equipment and Vehicles	501,914	152,003	653,917	374,940	43,429	418,369
	33,873,893	1,426,602	35,300,495	7,258,571	874,659	8,133,230
						27,167,265

There were no dispositions of tangible capital assets during the year.

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

12. Contingent Liabilities

Campbell River Indian Band has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Campbell River Indian Band becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Campbell River Indian Band's financial statements.

- a) The Campbell River Indian Band is contingently liable for \$6,777,583 with respect to loans from various banks and credit unions to Band members for homes built on reserve land.
- b) The Campbell River Indian Band is contingently liable for \$4,235,904 in loans from Indigenous and Northern Affairs Canada for treaty negotiations. This amount represents the Band's portion of the total loan obligation and is repayable only when a treaty settlement is finalized.
- c) The Campbell River Indian Band is contingently liable for \$8,643,700 with respect to the mortgage payable for the Discovery Harbour Shopping Centre.

13. Contractual Obligations

The nature of Campbell River Indian Band's activities can result in some multi-year contracts whereby it will be obligated to make future payments when goods or services are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

2018	43,171
2019	20,034
<hr/>	
<hr/>	
63,205	

14. Pension plan

Campbell River Indian Band provides a defined contribution plan for eligible members of its staff. Members are required to contribute 7% of their salary. Campbell River Indian Band contributes 7% to the members contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Campbell River Indian Band contributed \$34,673 (2016 - \$34,486) for its retirement benefits. Campbell River Indian Band does not have any other obligations with regards to the pension plan as at March 31, 2017.

15. Comparative Amounts

Certain prior year figures have been reclassified to conform to the current year's presentation.

**CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017**

16. Budget Information

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Council.

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

17. Segmented information

Campbell River Indian Band provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the period are as follows:

	Band Government						Education			Health	
	2017 Budget	2017 Actual	2016 Actual	2016 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	2017 Actual	2016 Actual
Revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Indigenous and Northern Affairs	1,015,544	1,015,222	360,374	1,445,577	1,445,577	1,321,920	-	-	-	-	-
Canada	6,000	5,968	6,265	-	-	-	81,598	81,598	71,563	71,563	-
Ottawa Trust Funds	-	-	-	-	-	-	-	-	-	-	-
First Nations Health Authority - Set Contribution	1,525,000	4,405,983	1,581,204	-	-	-	-	-	-	-	-
Income from government business partnerships	2,235,422	2,255,915	2,219,074	-	-	-	-	-	-	-	-
Taxation	994,153	888,973	869,526	231,785	(2,111)	240,937	176,544	42,190	42,190	40,541	40,541
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Total revenue	5,776,119	8,572,061	5,036,443	1,677,362	1,684,403	1,498,464	123,788	123,788	112,104		
Expenses											
Wages and benefits	552,419	556,365	503,368	329,219	331,820	230,796	36,050	35,496	35,496	6,065	6,065
Interest and bank charges	95,100	93,218	67,646	-	-	-	-	-	-	-	-
Amortization	800,000	800,186	815,195	-	-	-	-	-	-	-	-
Other expenses	2,707,624	1,978,505	2,090,925	1,515,036	1,507,470	1,411,890	105,961	113,655	113,655	130,863	130,863
Total expenses	4,155,143	3,428,274	3,477,134	1,844,255	1,839,290	1,642,686	142,011	149,151	136,928		
Annual surplus (deficit)	1,620,975	5,143,785	1,559,310	(166,893)	(154,887)	(144,222)	(18,223)	(25,363)	(24,824)		

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

17. Segmented information, continued

	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	Community and Social Services
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Indigenous and Northern Affairs Canada	38,202	38,202	87,995	2,105,714	2,105,714	561,951	559,772	490,927	542,717	
Canada Mortgage and Housing Corporation	-	-	-	195,035	195,035	53,713	-	-	-	
Province of British Columbia	299,738	299,738	299,738	-	-	-	-	-	-	
Other revenue	1,921,177	1,939,490	1,686,582	116,146	116,069	111,917	86,079	91,962	78,746	
Total revenue	2,259,117	2,277,430	2,074,315	2,416,895	2,416,818	727,581	645,851	582,889	621,463	
Expenses										
Wages and benefits	335,232	331,423	287,626	164,850	164,608	199,027	144,328	144,260	146,610	
Interest and bank charges	35,400	34,286	34,157	29,335	29,383	22,445	10,500	10,271	13,500	
Amortization	500	75,010	14,245	45,000	40,897	45,219	-	-	-	
Other expenses	1,583,061	891,469	897,705	2,388,593	2,240,592	666,220	662,058	598,711	638,505	
Total expenses	1,954,193	1,332,188	1,233,733	2,627,778	2,475,480	932,911	816,886	753,242	798,615	
Annual surplus (deficit)	304,924	945,242	840,582	(210,884)	(58,662)	(205,330)	(171,035)	(170,353)	(177,152)	

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

17. Segmented information, continued

	Employment Programs			Consolidated totals		
	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual
Revenues						
Indigenous and Northern Affairs Canada						
Ottawa Trust Funds	84,690	84,690	25,970	5,249,499	5,180,332	2,900,927
Canada Mortgage and Housing Corporation	-	-	-	6,000	5,968	6,265
First Nations Health Authority - Set Contribution	-	-	-	195,035	195,035	53,713
Income from government business partnerships	-	-	-	81,598	81,598	71,563
Province of British Columbia	-	-	-	1,525,000	4,405,983	1,581,204
Taxation	-	-	-	299,738	299,738	299,738
Other revenue	32,118	32,118	67,029	2,235,422	2,233,805	2,219,074
Total revenue	116,808	116,808	92,999	13,015,940	15,774,197	10,163,369
Expenses						
Wages and benefits	68,989	68,942	31,190	1,631,087	1,632,914	1,404,682
Interest and bank charges	-	-	-	170,335	167,158	137,748
Amortization	-	-	-	845,500	916,093	874,659
Other expenses	123,590	96,377	89,251	9,085,923	7,426,783	5,925,359
Total expenses	192,579	165,319	120,441	11,732,845	10,142,944	8,342,448
Annual surplus (deficit)	(75,771)	(48,511)	(27,442)	1,283,095	5,631,253	1,820,921