

CAMPBELL RIVER INDIAN BAND

FINANCIAL STATEMENTS

MARCH 31, 2018

**CAMPBELL RIVER INDIAN BAND
FINANCIAL STATEMENTS
MARCH 31, 2018**

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CAMPBELL RIVER INDIAN BAND
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
MARCH 31, 2018

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

Oct. 3, 2018
Date
Oct 3, 2018
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, 2018, 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 qualified audit opinion.

Basis for Qualified Opinion

Campbell River Indian Band's investment in CRIBCO Limited Partnership, accounted for by the equity method, is carried at \$6,333,321 on the statement of financial position as at March 31, 2018, and Campbell River Indian Band's share of CRIBCO Limited Partnership's net income of \$0 is included in Campbell River Indian Band's excess of revenue over expenditures for the year then ended.

Campbell River Indian Band's investment in Kwickw Construction Limited Partnership, accounted for by the equity method, is carried at \$0 on the statement of financial position as at March 31, 2018, and Campbell River Indian Band's share of Kwickw Construction Limited Partnership's net income of \$714,640 is included in Campbell River Indian Band's excess of revenue over expenditures for the year then ended

Campbell River Indian Band's investment in Discovery Enterprises Limited Partnership, accounted for by the equity method, is carried at \$0 on the statement of financial position as at March 31, 2018, and Campbell River Indian Band's share of Discovery Enterprises Limited Partnership's net income of \$0 is included in Campbell River Indian Band's excess of revenue over expenditures for the year then ended

We were unable to obtain sufficient, appropriate audit evidence about the carrying amount of Campbell River Indian Band's investments in CRIBCO Limited Partnership, Kwickw Construction Limited Partnership and Discovery Limited Partnership as at March 31, 2018 and Campbell River Indian Band's share of income from CRIBCO Limited Partnership, Kwickw Construction Limited Partnership and Discovery Limited Partnership for the year then ended because audited financial statements for these entities were not available. Consequently, we are unable to determine whether any adjustments to these amounts were necessary.

Qualified opinion

Except as noted in the above paragraph, in our opinion, present fairly, in all material respects, the financial position of the Campbell River Indian Band as at March 31, 2018 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
October 2, 2018

Moeller Matthews
Chartered Professional Accountants

CAMPBELL RIVER INDIAN BAND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	2018	2017
	\$	\$
Financial Assets		
Cash (Note 2)	11,397,240	9,927,030
Accounts receivable (Note 3)	905,311	1,593,770
Inventories for resale (Note 4)	265,102	254,478
Trust funds held by Federal Government (Note 5)	214,824	217,082
Investments in Government Business Partnerships (Note 6)	<u>17,653,551</u>	<u>14,897,445</u>
	<u>30,436,028</u>	<u>26,889,805</u>
Liabilities		
Accounts payable (Note 7)	1,279,948	968,432
Deferred revenue (Note 8)	4,725,469	4,855,790
Long-term debt (Note 9)	<u>4,527,922</u>	<u>4,265,346</u>
	<u>10,533,339</u>	<u>10,089,568</u>
Net financial assets	19,902,689	16,800,237
Non-financial Assets		
Tangible capital assets (Note 10)	27,828,042	27,849,731
Prepaid expenses	<u>63,222</u>	<u>87,119</u>
	<u>27,891,264</u>	<u>27,936,850</u>
Accumulated Surplus	47,793,953	44,737,087

Approved on behalf of the Campbell River Indian Band

, Chief Councillor
, 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, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Revenue			
Federal Government:			
Indigenous and Northern Affairs Canada	3,504,504	3,496,969	5,180,332
Ottawa Trust Funds	6,500	4,164	5,968
Canada Mortgage and Housing Corporation	196,100	196,100	195,035
First Nations Health Authority - Set Contribution	96,335	112,648	81,598
Province of British Columbia	277,537	277,537	299,738
School District 72	71,940	50,688	46,376
Taxation	2,268,953	2,287,264	2,253,805
Income from government business partnerships	2,500,424	2,909,865	4,405,983
Rent and land leases	839,417	839,972	818,779
Sales	1,200,000	1,529,051	1,251,254
Other	1,132,108	1,146,963	1,235,328
	12,093,818	12,851,221	15,774,196
Expenditures			
Band Government	3,769,114	3,888,156	3,428,275
Education	2,109,946	1,993,415	1,839,292
Health	132,648	172,735	149,151
Economic Development	1,424,389	1,787,659	1,332,188
Housing and Lands	1,170,536	1,090,667	2,475,480
Community and Social Services	869,458	794,187	753,242
Employment Programs	111,500	67,536	165,319
	9,587,591	9,794,355	10,142,947
Annual surplus	2,506,227	3,056,866	5,631,249
Accumulated surplus at beginning of year	44,737,087	44,737,087	39,105,838
Accumulated surplus at end of year	47,243,314	47,793,953	44,737,087

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, 2018

	2018 Budget (Unaudited)	2018 Actual	2017 Actual
	\$	\$	\$
Annual surplus	2,506,227	3,056,866	5,631,249
Acquisition of tangible capital assets	-	(984,468)	(1,598,559)
Amortization of tangible capital assets	800,000	941,904	916,093
Disposal of tangible capital assets	-	64,253	-
	800,000	21,689	(682,466)
Acquisition of prepaid asset	-	(55,812)	(57,487)
Use of prepaid asset	-	79,709	72,056
	-	23,897	14,569
Increase in net financial assets	3,306,227	3,102,452	4,963,352
Net financial assets at beginning of year	16,800,237	16,800,237	11,836,885
Net financial assets at end of year	20,106,464	19,902,689	16,800,237

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, 2018

	2018	2017
	\$	\$
Cash flows from Operating activities		
Annual surplus	3,056,866	5,631,249
Items not affecting cash		
Amortization	941,904	916,093
Income from government business partnerships	<u>(2,909,865)</u>	<u>(4,405,983)</u>
	1,088,905	2,141,359
Change in non-cash operating working capital		
Accounts receivable	688,459	(884,870)
Inventories for resale	<u>(10,624)</u>	<u>(62,636)</u>
Prepaid expenses	23,897	14,569
Accounts payable	311,519	89,462
Deferred revenue	<u>(130,322)</u>	<u>(480,686)</u>
Trust funds held by Federal Government	<u>2,258</u>	<u>(114)</u>
	1,974,092	817,084
Capital activities		
Purchase of tangible capital assets	(984,468)	(1,598,559)
Proceeds on disposal of tangible capital assets	<u>64,253</u>	-
	(920,215)	(1,598,559)
Financing activities		
Change in bank indebtedness	-	(2,777)
Repayment of long-term debt	(346,463)	(254,968)
Advances of long-term debt	<u>609,038</u>	<u>212,202</u>
	262,575	(45,543)
Investing activities		
Investments in government business partnerships	(926,684)	-
Distributions from government business partnerships	<u>1,080,442</u>	<u>291,580</u>
	153,758	291,580
Increase (decrease) in cash and cash equivalents	1,470,210	(535,438)
Cash and cash equivalents, beginning of year	9,927,030	10,462,468
Cash and cash equivalents, end of year	11,397,240	9,927,030

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

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

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%)
10. Kwickw Construction Limited Partnership (51%)
11. Discovery Enterprises Limited Partnership (51%)

(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, 2018

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, 2018**

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, 2018

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.

	2018	2017
	\$	\$
Externally restricted		
Social Housing replacement reserve	59,531	53,917
Social Housing operating reserve	58,352	42,973
	<hr/> 117,883	<hr/> 96,890
Unrestricted		
Operating	11,279,357	9,830,140
	<hr/> 11,397,240	<hr/> 9,927,030

3. Accounts receivable

	2018	2017
	\$	\$
Due from Discovery Harbour Authority	109,190	108,310
Due from Indigenous and Northern Affairs Canada	-	654,711
Due from Canada Mortgage and Housing Canada	59,783	44,011
Due from Taxpayers	585,549	567,738
Due from Nyrstar Myra Falls Ltd.	98,388	6,513
Due from Others	428,930	432,740
Due from Members	32,875	93,828
	<hr/> 1,314,715	<hr/> 1,907,851
Allowance for doubtful accounts	(409,404)	(314,081)
	<hr/> 905,311	<hr/> 1,593,770

4. Inventories for resale

	2018	2017
	\$	\$
Wei Wai Kum House of Treasures	265,102	254,478

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

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, 2017	Withdrawals, 2018	March 31, 2018
Capital	\$ 214,824	\$ -	\$ 214,824
Revenue	2,258	(2,258)	-
	217,082	(2,258)	214,824

6. Investments in Government Business Partnerships

	2018	2017
CRIBCO Limited Partnership (99.99%)	\$ 6,333,321	\$ 6,333,321
CRIBCO Forest Products Limited Partnership (99.99%)	3,429,487	2,239,555
A-tlegay Fisheries Limited Partnership (23.50%)	776,434	634,912
Laich-Kwil-Tach Environmental Assessments LP (50%)	683,376	569,035
Discovery Harbour Shopping Centre (25.00%)	2,370,032	2,217,030
Discovery Crescent Shopping Centre (50.00%)	1,721,530	752,084
Discovery Residential Holdings Ltd. (Lot 4) joint venture (50%)	217,335	221,774
Laich-Kwil-Tach Wood Trucking Joint Venture (45%)	16,150	34,452
Nanwakolas Timber Limited Partnership (17.31%)	2,105,886	1,895,282
	17,653,551	14,897,445

**CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018**

6. Investments in Government Business Partnerships, continued

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 and has an investment in a grizzly tour resort.
10. Kwickw Construction Limited Partnership seeks opportunities related to the John Hart Generating Station Replacement Project.
11. Discovery Enterprises Limited Partnership carries on a general contracting business.

Following is a summary of the most recent financial information available. The audited financial statements for CRIBCO Limited Partnership, Kwickw Construction Limited Partnership and Discovery Enterprises Limited Partnership were not available. Accordingly, we have left this section blank for those investments.

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

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 Environmental Assessment Limited Partnership (50%)	Discovery Harbour Shopping Centre (25.00%)
<u>Cash</u>	\$ -	\$ 3,354,451	\$ 351,485	\$ 1,244,409	\$ 2,299,120
Accounts receivable	-	360,870	458,329	339,560	566,036
Tangible capital assets	-	134,238	2,306,193	-	2,970,653
Other assets	-	5,892	5,247	6,834	4,055
Total assets	-	3,855,451	3,121,254	1,590,803	5,839,864
Accounts payable	\$ -	\$ 16,327	\$ 16,953	\$ 224,012	\$ 423,349
Long-term debt	-	294,777	-	-	33,693,947
Other liabilities	-	111,950	-	-	153,974
Total liabilities	-	423,054	16,953	224,012	34,271,270
Equity (deficit)	-	3,432,397	3,304,301	1,366,791	(28,431,406)
 	-	3,855,451	3,321,254	1,590,803	5,839,864
Revenue	\$ -	\$ 4,083,229	\$ 816,666	\$ 1,737,237	\$ 6,079,402
Expenses	-	2,892,106	214,384	1,508,532	4,847,317
Net Income	-	1,191,123	602,282	228,705	1,232,085

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

6. Investments in Government Business Partnerships, continued

	Discovery Crescent Shopping Centre (50.00%)	Discovery Residential Holdings Ltd. (Lot 4) joint venture (50%)	Laich-Kwil- Tach Wood Trucking Joint Venture (45%)	Nanwakolas Timber Limited Partnership (17.31%)
Cash	\$ 1,024,375	\$ 39,814	\$ 6,037	\$ 5,685,558
Accounts receivable	50,225	-	34,830	302,271
Inventory	-	-	393,160	-
Tangible capital assets	3,016,018	385,092	-	-
Investment in subsidiary	-	-	-	6,680,371
Other assets	154,680	-	-	34,666
Total assets	4,245,298	424,906	434,027	12,702,866
Accounts payable	\$ 89,374	\$ 239	\$ 396,365	\$ 45,697
Long-term debt	2,650,840	-	-	-
Total liabilities	2,740,214	239	396,365	45,697
Equity	1,505,084	424,667	37,662	12,657,169
	4,245,298	424,906	434,027	12,702,866
Revenue	\$ 844,777	\$ 78,924	\$ 18,446	\$ 1,332,204
Expenses	663,253	29,801	1,007	115,400
Net income	181,524	49,123	17,439	1,216,804

7. Accounts payable

	2018	2017
	\$	\$
Government remittances payable	40,231	11,733
City of Campbell River	297,263	274,032
School District #72	338,767	374,105
Raylec Power LP	-	74,569
Other trade payables	603,687	233,993
	1,279,948	968,432

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

8. Deferred revenue

	March 31, 2017	Funding received, 2018	Revenue recognized, 2018	March 31, 2018
	\$	\$	\$	\$
INAC - Capital Funding				
NTMA - Municipal Services 9-00125557	322	-	(322)	-
Prepaid Rent				
Home Depot - prepaid rent	1,712,218	-	(42,670)	1,669,548
Walmart - prepaid rent	3,114,923	-	(75,471)	3,039,452
Telus - prepaid rent	11,321	11,498	(11,321)	11,498
Members - prepaid social housing rent	3,256	-	(1,338)	1,918
	4,841,718	11,498	(130,800)	4,722,416
Sales and other				
United Church	11,250	-	(11,250)	-
Prepaid signage revenue	500	1,000	(500)	1,000
House of Treasures - prepaid sales	2,000	2,090	(2,037)	2,053
	13,750	3,090	(13,787)	3,053
	4,855,790	14,588	(144,909)	4,725,469

CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

9. Long-term debt

	2018 \$	2017 \$
Bank of Montreal (Thunderbird Hall); loan repayable at \$6,786 per month plus interest at prime plus 1%. This loan is due on demand.	152,857	234,285
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.	2,427,410	2,540,611
All Nations Trust Company (Social Housing); loan repayable at \$614 per month including interest at 1.23%, guaranteed by Canada Mortgage and Housing Corporation.	48,857	55,583
Bank of Montreal (6-Plex); loan repayable at \$1,469 per month including interest at 2.86%. This loan matures on August 31, 2021.	213,613	221,034
TD Canada Trust (Social Housing); loan repayable at \$1,408 per month including interest at 3.59%, guaranteed by Canada Housing and Mortgage Corporation.	75,463	89,392
Bank of Montreal (Campsite); loan repayable at \$1,468 per month including interest at 3.85%. This loan matures on April 30, 2020.	35,172	51,101
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.	390,089	410,514
All Nations Trust Company (Social Housing); loan repayable at \$864 per month including interest at 1.77%, guaranteed by Canada Housing and Mortgage Corporation.	123,135	193,578
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.	452,288	469,248
All Nations Trust Company (Social Housing); interest only at 2.41%, guaranteed by Canada Housing and Mortgage Corporation.	609,038	-
	4,527,922	4,265,346

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

2019	395,458
2020	741,554
2021	203,596
2022	2,667,775
<u>2023 and thereafter</u>	<u>519,539</u>
	4,527,922

**CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018**

10. Tangible Capital Assets

		Cost				Accumulated amortization			
		Balance, beginning of year	Cost	Balance, beginning of year	Amortization	Balance, end of year	Accumulated amortization	Balance, end of year	2018 net book value
		\$	\$	\$	\$	\$	\$	\$	\$
Land	6,651,765			6,651,765					6,651,765
Buildings	9,135,935	867,471	(71,223)	9,932,183	1,925,841	289,775	(6,970)	2,208,646	7,723,537
Community Infrastructure	20,374,868	110,729	-	20,485,597	6,645,180	596,152	-	7,241,332	13,244,265
Furniture, Equipment and Vehicles	736,486	6,268	-	742,754	478,302	55,977	-	534,279	208,475
	36,899,054	984,468	(71,223)	37,812,299	9,049,323	941,904	(6,970)	9,984,257	27,828,042
		Cost				Accumulated amortization			
		Balance, beginning of year	Cost	Balance, beginning of year	Amortization	Balance, end of year	Accumulated amortization	Balance, end of year	2017 Net book value
		\$	\$	\$	\$	\$	\$	\$	\$
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	7,210,094
Community Infrastructure	19,668,051	706,817	-	20,374,868	6,064,427	580,753	-	6,645,180	13,729,688
Furniture, Equipment and Vehicles	653,917	82,569	-	736,486	418,369	59,933	-	478,302	258,184
	35,300,495	1,598,559	-	36,899,054	8,133,230	916,093	-	9,049,323	27,849,731

One unit from the Social Housing development Phase 4 was disposed of during the year.



CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

11. 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 \$8,029,011 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 \$4,391,870 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 \$8,423,487 with respect to the mortgage payable for the Discovery Harbour Shopping Centre.

12. 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:

2019	31,986
2020	11,952
2021	11,952
2022	11,952
2023 and thereafter	6,972
	<hr/>
	74,814
	<hr/>

13. 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 \$38,875 (2017 - \$34,673) for its retirement benefits. Campbell River Indian Band does not have any other obligations with regards to the pension plan as at March 31, 2018.

**CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018**

14. 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, 2018

15. 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	
	2018 Budget	2018 Actual	2017 Actual	2018 Budget	2017 Actual	2018 Budget
	\$	\$	\$	\$	\$	\$
Revenues						
Indigenous and Northern Affairs	453,525	453,847	1,015,222	1,641,044	1,445,577	-
Canada	6,500	4,164	5,968	25,000	-	71,335
Ottawa Trust Funds	-	-	-	-	-	87,648
First Nations Health Authority - Set Contribution	1,624,000	2,051,744	4,405,983	-	-	-
Income from government business partnerships	2,311,847	2,330,158	2,255,915	(19,363)	(2,111)	1,273
Taxation	1,079,868	1,079,218	888,972	357,394	335,856	45,040
Other revenue						42,190
Total revenue	5,475,740	5,919,129	8,572,060	2,004,075	1,982,537	117,648
Expenses						133,961
Wages and benefits	633,530	619,656	556,365	376,530	357,165	331,820
Interest and bank charges	90,500	87,109	93,218	-	-	15,050
Amortization	800,000	763,143	800,186	-	-	14,181
Other expenses	2,245,085	2,418,248	1,978,507	1,733,416	1,636,250	1,507,472
Total expenses	3,769,115	3,888,156	3,428,276	2,109,946	1,993,415	1,839,292
Annual surplus (deficit)	1,706,624	2,030,971	5,143,785	(105,878)	(154,869)	(15,000)
						(38,774)
						(25,363)

**CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018**

15. Segmented information, continued

	Economic Development			Housing and Lands			Community and Social Services		
	2018 Budget	2018 Actual	2017 Actual	2018 Budget	2018 Actual	2017 Actual	2018 Budget	2018 Actual	2017 Actual
Revenues									
Indigenous and Northern Affairs	78,406	78,406	38,202	708,372	700,605	2,105,714	623,157	623,067	490,927
Canada	-	-	-	196,100	196,100	195,035	-	-	-
Canada Mortgage and Housing Corporation	876,424	858,121	-	-	-	-	-	-	-
Income from government business partnerships	277,537 (12,367)	277,537 (12,367)	299,738	10,298	10,298	-	(22,735)	(22,735)	-
Province of British Columbia	1,491,500	1,836,489	1,939,490	15,866	115,952	116,069	119,797	120,121	91,962
Total revenue	2,711,500	3,038,186	2,277,430	1,030,636	1,022,955	2,416,818	720,219	720,453	582,889
Expenses									
Wages and benefits	335,406	341,488	331,423	175,350	168,313	164,608	141,528	140,925	144,260
Interest and bank charges	35,350	39,236	34,286	26,750	26,321	29,383	8,000	7,946	10,271
Amortization	-	114,529	75,010	45,000	64,231	40,897	-	-	-
Other expenses	1,053,633	1,292,406	891,469	923,435	831,802	2,240,592	719,930	645,316	598,711
Total expenses	1,424,389	1,787,659	1,332,188	1,170,535	1,090,667	2,475,480	869,458	794,187	753,242
Annual surplus (deficit)	1,287,111	1,250,527	945,242	(139,900)	(67,712)	(58,662)	(149,239)	(73,734)	(170,353)

**CAMPBELL RIVER INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018**

15. Segmented information, continued

	Employment Programs			2018 Budget	\$	\$	\$	\$	\$	Consolidated totals	2018 Actual	2018 Budget	\$	\$	2017 Actual	2017 Actual	
	2018 Budget	2018 Actual	2017 Actual														
Revenues																	
Indigenous and Northern Affairs Canada	-	-	-	-	84,690	3,504,504	3,496,969	5,180,332	5,180,332	5,180,332	5,180,332	5,180,332	4,164	4,164	5,968	5,968	5,968
Ottawa Trust Funds	-	-	-	-	-	6,500	6,500	4,164	4,164	4,164	4,164	4,164	196,100	196,100	195,035	195,035	195,035
Canada Mortgage and Housing Corporation	-	-	-	-	-	196,100	196,100	196,100	196,100	196,100	196,100	196,100	112,648	112,648	81,598	81,598	81,598
First Nations Health Authority - Set Contribution	-	-	-	-	-	96,335	96,335	96,335	96,335	96,335	96,335	96,335	2,500,424	2,500,424	2,909,865	2,909,865	2,909,865
Income from government business partnerships	-	-	-	-	-	2,500,424	2,500,424	2,500,424	2,500,424	2,500,424	2,500,424	2,500,424	277,537	277,537	277,537	277,537	277,537
Province of British Columbia	-	-	-	-	-	277,537	277,537	277,537	277,537	277,537	277,537	277,537	2,287,264	2,287,264	2,287,264	2,287,264	2,287,264
Taxation	-	-	-	-	-	2,287,264	2,287,264	2,287,264	2,287,264	2,287,264	2,287,264	2,287,264	3,566,674	3,566,674	3,566,674	3,566,674	3,566,674
Other revenue	34,000	34,000	32,118	32,118	32,118	3,243,465	3,243,465	3,243,465	3,243,465	3,243,465	3,243,465	3,243,465	3,351,738	3,351,738	3,351,738	3,351,738	3,351,738
Total revenue	34,000	34,000	316,808	316,808	316,808	12,093,818	12,093,818	12,093,818	12,093,818	12,093,818	12,093,818	12,093,818	15,774,196	15,774,196	15,774,196	15,774,196	15,774,196
Expenses																	
Wages and benefits	27,150	27,473	68,942	68,942	68,942	1,704,544	1,704,544	1,704,544	1,704,544	1,704,544	1,704,544	1,704,544	160,600	160,600	160,612	160,612	160,612
Interest and bank charges	-	-	-	-	-	845,000	845,000	845,000	845,000	845,000	845,000	845,000	941,903	941,903	916,093	916,093	916,093
Amortization	84,350	40,063	96,377	96,377	96,377	6,877,447	6,877,447	6,877,447	6,877,447	6,877,447	6,877,447	6,877,447	7,022,639	7,022,639	7,426,782	7,426,782	7,426,782
Total expenses	111,500	67,536	165,319	165,319	165,319	9,587,591	9,587,591	9,587,591	9,587,591	9,587,591	9,587,591	9,587,591	9,794,355	9,794,355	10,142,947	10,142,947	10,142,947
Annual surplus (deficit)	(77,500)	(33,536)	(48,511)	(48,511)	(48,511)	2,506,227	2,506,227	2,506,227	2,506,227	2,506,227	2,506,227	2,506,227	3,056,866	3,056,866	5,631,249	5,631,249	5,631,249

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To Campbell River Indian Band:

At the request of the Campbell River Indian Band, we have reviewed the Schedule of Remuneration and Expenses of Chief and Councillors of the Campbell River Indian Band for the year ended March 31, 2018 prepared in accordance with the provisions of Section 7.3 of the Indigenous and Northern Affairs Canada Reporting Guide - Financial Reporting Requirements. The schedule has been prepared by management of the Campbell River Indian Band.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this schedule in accordance with the expenses described in Note 15, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying schedule based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on this schedule.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this Schedule is not, in all material respects, in accordance with the provisions of Section 7.3 of the Indigenous and Northern Affairs Canada Reporting Guide - Financial Reporting Requirements.

Campbell River, BC
September 24, 2018

Moeller Matthews
Chartered Professional Accountants