

MALAHAT FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

MALAHAT FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS **MARCH 31, 2016**

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MALAHAT FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING MARCH 31, 2016

The accompanying consolidated financial statements of Malahat First Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated 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 Chief and 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 consolidated financial statements.

The Chief and 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 consolidated financial statements and the external auditor's report.

The external auditors, Reid Hurst Nagy Inc., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Malahat First Nation and meet when required.

On behalf of Malahat First Nation:

Marine Harry
Chief
Matt Harvey
Councillor
John Abey
Councillor

Nov 15/2016
Date

Nov 15/2016
Date

Nov 15/2016
Date
Nov 15/2016
Date

Independent Auditor's Report

To the Members of
Malahat First Nation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Malahat First Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of revenue, expenses and accumulated surplus, change in net financial assets (debt), 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 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.

Auditors' Responsibility

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

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

Malahat First Nation holds investment in Government Business Enterprises and Government Business Partnerships. We were unable to satisfy ourselves as to the carrying value of these investments because financial statements of these entities have not been audited since incorporation. Consequently, we were not able to determine whether any adjustments might be necessary to the investment in Government Business Enterprises and Government Business Partnerships and the net income (loss) from Government Business Enterprises and Government Business Partnerships.

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, present fairly, in all material respects, the financial position of the Malahat First Nation as at March 31, 2016 and the results of its operations, the changes in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



REID HURST NAGY INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
November 15, 2016

MALAHAT FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2016

	2016	2015 Restated
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	555,340	438,572
Temporary investments (Note 3)	658,304	1,666,144
Accounts receivable (Note 4)	1,425,657	530,297
Note receivable (Note 5)	15,522,282	1,771,942
Due from related entities (Note 6)	206,356	156,196
Investment in Government Business Enterprises (Note 7)	(32,111)	165,660
Investment in Government Business Partnerships (Note 8)	(42,018)	135,976
Federal trust funds (Note 9)	490,184	634,709
	<hr/> 18,783,994	<hr/> 5,499,496
LIABILITIES		
Accounts payable and accrued liabilities (Note 10)	530,414	341,193
Deferred revenue (Note 11)	919,866	412,664
Due to related entities (Note 12)	856,640	212,371
Long-term debt (Note 13)	1,320,215	1,066,438
Promissory notes (Note 14)	16,235,433	3,200,000
	<hr/> 19,862,568	<hr/> 5,232,666
NET FINANCIAL ASSETS (DEBT)	(1,078,574)	266,830
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 16)	3,066,448	2,765,359
Prepaid expenses	106,876	30,087
	<hr/> 3,173,324	<hr/> 2,795,446
ACCUMULATED SURPLUS	2,094,750	3,062,276
Contractual Obligation (Note 20)		
Contingencies (Note 23)		

APPROVED ON BEHALF OF THE MALAHAT FIRST NATION

 Marvin Harry, Chief
 Matt Harry, Councillor
 G. J. J., Councillor
 M. J. J., Councillor

The accompanying notes are an integral part of the financial statements

MALAHAT FIRST NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT) FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015 Restated
	\$	\$
<u>ANNUAL SURPLUS (DEFICIT)</u>	(967,526)	500,281
Acquisition of tangible capital assets	(562,449)	(679,055)
Amortization of tangible capital assets	157,768	140,706
<u>Uses of construction in progress</u>	103,592	319,157
	(301,089)	(219,192)
Acquisition of prepaid asset	(106,876)	(30,087)
<u>Use of prepaid asset</u>	30,087	30,132
	(76,789)	45
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(1,345,404)	281,134
<u>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</u>	266,830	(14,304)
<u>NET FINANCIAL ASSETS (DEBT), END OF YEAR</u>	(1,078,574)	266,830

MALAHAT FIRST NATION

CONSOLIDATED SUMMARY STATEMENT OF REVENUE, EXPENSES AND ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget	2016 Actual	2015 Actual Restated
	\$	\$	\$
REVENUE			
Indigenous and Northern Affairs Canada	1,220,214	1,720,858	1,237,547
INAC - Reimbursement (Recovery)	36,503	(61,985)	58,360
Canada Mortgage and Housing Corporation	72,504	44,386	57,474
Department of Justice Canada	10,000	10,000	-
Fisheries and Oceans Canada	44,980	40,392	44,880
First Nation Health Authority	7,908	9,908	7,496
Province of BC	55,000	55,000	35,000
Ottawa Trust Fund	35,000	167,160	575,528
Funding from First Nation Organizations	176,110	273,422	282,691
Net income from Government Business Enterprises	-	(197,771)	76,091
Net income from Government Business Partnership	-	(177,994)	129,156
Rental income	82,646	81,298	77,655
Other Revenue	1,073,806	1,633,997	1,849,277
Deferred revenue - prior year	-	364,848	7,554
Deferred revenue - current year	-	(919,866)	(364,848)
	2,814,671	3,043,653	4,073,861
EXPENSES			
Indian Government Services	1,028,995	1,074,906	765,251
Treaty Negotiation	-	-	36,000
Health	7,908	7,908	7,496
Housing	155,150	211,700	299,915
Education, Employment and Training	439,025	723,600	376,287
Social Development	366,976	334,541	294,293
Economic Development	796,291	1,127,281	611,064
Community Infrastructure	242,482	369,561	643,274
Ottawa Trust Fund	-	155,843	540,000
Housing Reserves	-	5,839	-
	3,036,827	4,011,179	3,573,580
ANNUAL SURPLUS (DEFICIT)	(222,156)	(967,526)	500,281
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
As previously stated	-	2,882,961	2,561,995
Prior period adjustments (Note 21)	-	179,315	-
As restated	-	3,062,276	2,561,995
ACCUMULATED SURPLUS, END OF YEAR	(222,156)	2,094,750	3,062,276

MALAHAT FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015 Restated
	\$	\$
OPERATING ACTIVITIES		
Annual surplus (deficit)	(967,526)	500,281
Items not affecting cash		
Amortization	157,768	140,706
	(809,758)	640,987
Change in non-cash items on statement of financial position		
Accounts receivable	(895,360)	(435,115)
Prepaid expenses	(76,789)	41
Accounts payable and accrued liabilities	189,221	79,263
Deferred revenue	507,202	374,794
Federal trust fund	144,525	504,473
Investment in Government Business Enterprises	197,771	(76,090)
Investment in Government Business Partnerships	177,994	(129,156)
	(565,194)	959,197
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(458,857)	(359,894)
FINANCING ACTIVITIES		
Due from related entities	(50,160)	(156,196)
Due to related entities	644,269	166,800
Principal repayment on long-term debt	(63,940)	(54,921)
Proceed from long-term debt	317,717	13,088
Promissory notes	13,200,000	3,200,000
Note receivable	(13,750,340)	(1,771,942)
Principal repayment on promissory notes	(164,567)	-
Temporary investments	1,007,840	(1,621,844)
	1,140,819	(225,015)
INCREASE IN CASH AND CASH EQUIVALENTS	116,768	374,288
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	438,572	64,284
CASH AND CASH EQUIVALENTS, END OF YEAR	555,340	438,572

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

1. NATURE OF OPERATIONS

Malahat First Nation (the “First Nation”) is an Indian Band as defined by the Indian Act. The First Nation manages various programs offered by Indigenous and Northern Affairs Canada (INAC) and other funding agents to benefit its members. The First Nation also represents its members in the negotiation of treaty settlements and specific land claims.

2. 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 CPA Canada.

(a) Reporting Entity

The First Nation reporting entity includes the Malahat First Nation government and all related entities that are controlled by the First Nation.

(b) Principles of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of entities which are controlled by the First Nation. Controlled entities are consolidated, except for government business enterprises and government business partnerships, which are accounted for by the modified equity method. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation.

The First Nation 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 First Nation and inter-entity transactions and balances are not eliminated. The First Nation 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 or other cash distributions that the First Nation may receive from the GBE's and GBP's will be reflected as deductions in the investment asset account.

Entities consolidated in Malahat First Nation's financial statements include:

1. Kwunew Kwasun Cultural Society

Entities accounted for on a modified equity basis include:

2. Malahat Aquaculture Ltd. - 100% interest
3. Malahat Construction Ltd. - 100% interest
4. MNQM Contracting Ltd. - 51% interest
5. Malahat Economic Development Ltd. - 100% interest
6. Malahat Forestry (2012) Ltd. - 100% interest
1. Malahat Forestry Services Inc. - 100% interest
2. Malahat Investment Corporation (formerly 1028706 BC Ltd.) - 100% interest
3. Malahat Land Corporation Ltd. - 100% interest (inactive)
4. Malahat Nation Land Corporation. - 100% interest
5. Malahat Tenure Holding Ltd. - 100% interest
6. Salish Strait Seafoods Ltd. - 20% interest
7. Malahat Aquaculture Limited Partnership - 99.99% interest (inactive)
8. Malahat Construction Limited Partnership - 99.99% interest
9. Malahat Forestry (2012) Limited Partnership - 99.99% interest
10. Malahat Land Development Limited Partnership - 99.99% interest (inactive)
11. Malahat Tenure Holding Limited Partnership - 99.99% interest (inactive)

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(c) Note Receivable

Note receivable is recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

(d) Trust Funds

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds. The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

(e) Deferred Revenue

Under the terms of the contribution agreement between the First Nation, INAC and certain other agencies, the First Nation may be liable to repay any contributed funds either not expended or not expended in accordance with the agreement. On the other hand, any deficit, supported by claims eligible for reimbursement under the terms and conditions of the funding agreements, may be reimbursed by the contributor subject to the program's terms and conditions. The First Nation has recorded all known unexpended contribution funds as deferred revenue and/or accounts payable.

(f) Long-term Debt

Loan proceeds related to the financing of tangible capital assets are recorded as revenue in the appropriate fund. The loan amount is also recorded as a liability on the Statement of Financial Position and as a reduction in the Tangible Capital Asset Fund.

Debt payments, including principal and interest, are charged to the fund to which they relate. Principal reductions are reflected as a reduction in the liability with an offsetting increase in the Tangible Capital Assets Fund.

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Malahat First Nation's incremental cost of borrowing.

Except for assets related to CMHC Housing, which are amortized at a rate equivalent to the annual principal reduction in the related long-term debt, as required by the operating agreement with CMHC, amortization is recorded as a reduction to the Tangible Capital Assets Fund and is provided for using the following methods at rates designed to amortize over the estimated useful life of the assets as follows:

Buildings	20 years Straight line
Automotive equipment	5 years Straight line
Equipment	5 years Straight line
Canoes	15 % Declining balance
Infrastructure	20 years Straight line
Marineside development	20 years Straight line
Culture Centre	20 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation'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 tangible 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 tangible 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.

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue Recognition

Government Funding

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

First Nation Capital and Revenue Trust Funds

The First Nation recognizes revenues of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

Housing Rental Income

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Own Source Revenue

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.

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.

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Instruments

Financial instruments are initially classified upon initial recognition as a fair value or an amortized cost instrument. The fair value category includes investments in equity instruments that are quoted in an active market, and any other items elected by the First Nation to be recorded at fair value. All other financial instruments, including financial instruments with related parties for which fair value cannot be estimated, 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, calculated as the excess of the net recoverable amount of the asset and its carrying value, is reported in the statement of operations and any unrealized gain is 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.

The First Nation's financial instruments consist of cash and cash equivalents, temporary investments, accounts receivable, note receivable, due from and to related entities, accounts payable and accrued liabilities, promissory note and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, credit or currency risks arising from these financial instruments and the fair value of these financial instruments approximates their carry values.

(j) Measurement Uncertainty

In preparing the consolidated financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include allowance for doubtful accounts and amortization. Actual results could differ from these estimates.

(k) Segments

The First Nation conducts its business through a number of operating segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

2. CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Externally restricted:		
Operating reserve	23,685	26,175
Replacement reserve	72,146	72,103
	95,831	98,278
Unrestricted:		
Cash and banks	459,509	340,294
Total Cash and Cash Equivalents	555,340	438,572

Externally restricted - Operating Reserve

Under the terms of the agreements with CMHC, excess revenues over expenditures for the Post 1996 phases may be retained in an Operating Reserve. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds may be used to offset future deficits. Withdrawals are credited to interest first and then principal. At the year end, the reserve was under funded by \$5,032 (2015 under funded by \$3,018).

Externally restricted - Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited in the amount of \$11,040 (2015: \$11,040) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, the reserve was under funded by \$5,006 (2015: over funded by \$194).

3. TEMPORARY INVESTMENTS

The temporary investments consist of guarantee investment certificates (GIC) with maturity within 12 months.

	2016	2015
	\$	\$
GICs	311,869	1,621,813
GICs held as collateral for long-term debt	346,435	44,331
	658,304	1,666,144

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

4. ACCOUNTS RECEIVABLE

	2016	2015
	\$	\$
Due from members		
Other	5,377	2,875
Due from Government and other Government Organizations:		
INAC	126,000	24,184
CMHC	3,699	27,169
GST Public Service Bodies' Rebate	10,154	19,044
Fisheries and Oceans Canada	-	4,488
Province of BC	17,500	17,500
First Nation Finance Authority - Debt Reserve Fund	825,613	160,129
	982,966	252,514
Due from others:		
Others	442,689	306,788
Allowance for doubtful accounts	1,431,032 (5,375)	562,177 (31,880)
	1,425,657	530,297

5. NOTE RECEIVABLE

The note to Malahat Investment Corporation (formerly 1028706 B.C. Ltd.), an indirect wholly owned government business enterprise, is due on demand. Interest is payable each month at 3.1% per annum.

	2016	2015
	\$	\$
Note receivable	15,415,432	1,768,188
Interest receivable	106,850	3,754
	15,522,282	1,771,942

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

6. DUE FROM RELATED ENTITIES

	2016	2015
Malahat Aquaculture Ltd.	1,797	-
Malahat Construction Limited Partnership	173,614	50,480
Malahat Construction Ltd.	1,010	-
Malahat Economic Development Ltd.	10,083	-
Malahat Forest (2012) Limited Partnership	2,960	-
Malahat Forestry Ltd.	2,513	-
Malahat Investment Corporation (formerly 1028706 BC Ltd.)	-	100,000
Malahat Nation Land Corporation	7,675	2,940
Malahat Tenure Holding Ltd.	6,704	2,776
	206,356	156,196

7. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The First Nation's investment in government business enterprises consist of the following:

	2016	2015
		Restated
Malahat Investment Corporation (formerly 1028706 BC Ltd.)	(189,916)	(5,261)
Malahat Aquaculture Ltd.	(1,797)	(788)
Malahat Construction Ltd.	1,019	(3)
Malahat Economic Development Ltd.	(8,557)	(3,447)
Malahat Forestry (2012) Ltd.	(1,328)	(39)
Malahat Forestry Services Inc.	2	2
Malahat Land Corporation	1	1
Malahat Nation Land Corporation	(7,659)	(3,728)
Malahat Tenure Holding Ltd.	(5,704)	(2,905)
Salish Strait Seafoods Ltd.	181,828	181,828
	(32,111)	165,660

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

7. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES, continued

The year end of the following government business enterprises are March 31 except for MNQM Contracting Ltd. has a December 31 year end. As of the date of this audit report, the financial information for Salish Strait Seafoods Ltd. is not available.

The following is the summarized financial position of government business enterprises:

	Total Assets	Total Liabilities	2016 Equity	2015 Equity
	\$ 42,636,906	\$ 42,826,820	\$ (189,914)	\$ (5,259)
Malahat Investment Corporation				
Malahat Aquaculture Ltd.	-	1,797	(1,797)	(788)
Malahat Construction Ltd.	-	1,019	(1,019)	(3)
Malahat Economic Development Ltd.	-	10,083	(10,083)	(3,447)
Malahat Forestry (2012) Ltd.	2,492	3,820	(1,328)	(39)
Malahat Forestry Services Inc.	2	-	2	2
Malahat Land Corporation	1	-	1	1
Malahat Nation Land Corporation	16	7,674	(7,658)	(3,728)
Malahat Tenure Holding Ltd.	1,000	6,704	(5,704)	(2,905)
MNQM Contracting Ltd.	1,758,115	1,758,015	100	-
Salish Strait Seafoods Ltd.	-	-	-	540,094
	44,398,532	44,615,932	(217,400)	523,928

The following is the summarized revenue and expenses of government business enterprises:

	Total Revenue	Total Expenses	2016 Net Income (Loss)	2015 Net Income (Loss)
	\$ 1,981,428	\$ 2,434,823	\$ (184,655)	\$ (5,261)
Malahat Investment Corporation				
Malahat Aquaculture Ltd.	-	1,010	(1,010)	(788)
Malahat Construction Ltd.	-	1,018	(1,018)	(3)
Malahat Economic Development Ltd.	-	6,636	(6,636)	(3,447)
Malahat Forestry (2012) Ltd.	-	1,289	(1,289)	(91)
Malahat Forestry Services Inc.	-	-	-	-
Malahat Land Corporation	-	-	-	-
Malahat Nation Land Corporation	-	3,931	(3,931)	(3,728)
Malahat Tenure Holding Ltd.	-	2,800	(2,800)	(2,905)
MNQM Contracting Ltd.	2,371,675	2,371,675	-	-
Salish Strait Seafoods Ltd.	-	-	-	68,842
	4,353,103	4,823,182	(201,339)	52,619

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

8. INVESTMENT IN GOVERNMENT BUSINESS PARTNERSHIP

The First Nation's investment in government business partnerships consist of the following:

		2016	2015
		Total	Total Restated
		MCLP	MFLP
Malahat Forestry (2012) Limited Partnership (MFLP)		\$ 41,976	\$ 131,900
Malahat Construction Limited Partnership (MCLP)		(83,994)	4,076
		(42,018)	135,976
Total Assets	102,753	296,898	399,651
Accounts payable	\$ 5,133	\$ 154,918	\$ 160,051
Due to related party	173,614	-	173,614
Government remittances	8,008	-	8,008
Loan	-	100,000	100,000
Total Liabilities	186,755	254,918	441,673
Partnership's capital	(84,002)	41,980	(42,022)
Total Liabilities and Partnership's Capital	102,753	296,898	399,651
		2016	2015
		Total	Total Restated
		MCLP	MFLP
Revenue	\$ 22	\$ -	\$ 22
Expenses	88,099	89,934	178,033
Net Income (Loss)	(88,077)	(89,934)	(178,011)

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

9. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2016	2015
	\$	\$
Revenue funds held in trust	4,844	59,369
Capital funds held in trust	485,340	575,340
	490,184	634,709
	2016	2016
	Revenue	Capital
	\$	\$
Surplus, beginning of year	59,369	575,340
Withdrawals	(65,843)	(90,000)
Interest earnings	10,573	-
BC Special	745	-
	4,844	485,340
Surplus, end of year	490,184	634,709

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
	\$	\$
Accounts payable and accrued liabilities	418,981	291,872
Due to INAC	77,671	-
Government remittances	21,847	22,145
Vacation payable	11,915	19,556
Pension payable	-	7,620
	530,414	341,193

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

The First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5% of their salary and the First Nation is required to match their contribution of 5%. The amount of the retirement benefit to be received by the employees will be the amount of the 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. The First Nation contributed during the year \$39,008 (2015: \$35,340) for retirement benefits. The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2016.

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

11. 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.

	2016	2015
	\$	\$
INAC	660,008	100,842
Others	259,858	311,822
	919,866	412,664

12. DUE TO RELATED ENTITIES

	2016	2015
	\$	\$
Malahat Forestry (2012) Ltd.	12,371	12,371
Malahat Forestry (2012) Limited Partnership	200,000	200,000
Malahat Investment Corporation	644,269	-
	856,640	212,371

Advances due to related entities are unsecured and without interest or any fixed terms of repayment.

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

13. LONG-TERM DEBT

	2016	2015
	\$	\$
All Nations Trust Company - repayable at \$2,238 per month including interest at 2.63% per annum. The loan will be renewed on June 1, 2016 and will mature in February 2026. It is secured by a first mortgage on housing units and a Ministerial Guarantee.	234,367	254,786
Loan advance from CMHC On-Reserve Residential Rehabilitation Assistance Program will be earned by the First Nation over 5 years at the rate of \$267 per month beginning on August 1, 2010. The unearned forgivable loan plus interest at 6.25% per annum will become due and payable if the First Nation sells or transfers the property before the maturity date on August 1, 2015.	-	1,066
Loan advance from Peace Hill Trust has a 15 year term, maturing June 1, 2028. The loan is repayable at \$2,065 per month including interest at 5.50% per annum. The loan is guaranteed by the First Nation Market Housing Fund with a collateral of a GIC for the amount of \$24,800.	223,596	235,508
All Nations Trust Company - repayable at \$2,490 per month including interest at 1.68% per annum. The loan will be renewed on April 1, 2018 and will mature in April 2038. It is secured by a first mortgage on housing units and a Ministerial Guarantee.	550,856	561,989
Loan advance from CMHC On-Reserve Residential Rehabilitation Assistance Program will be earned by the First Nation over 2 years at the rate of \$193 per month beginning on April 1, 2015. The unearned forgivable loan plus interest at 3.875% per annum will become due and payable if the First Nation sells or transfers the property before the maturity date on April 1, 2017.	2,320	4,641
Loan advance from CMHC On-Reserve Residential Rehabilitation Assistance Program will be earned by the First Nation over 3 years at the rate of \$235 per month beginning on April 1, 2015. The unearned forgivable loan plus interest at 5.25% per annum will become due and payable if the First Nation sells or transfers the property before the maturity date on April 1, 2018.	5,632	8,448
Loan advance from Peace Hill Trust has a 5 year term, maturing November 1, 2020. The loan is repayable at \$1,619 per month including interest at 3.95% per annum. The loan is guaranteed by the First Nation Market Housing Fund with a collateral of a GIC for the amount of \$24,800.	303,444	-
	1,320,215	1,066,438

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

13. LONG-TERM DEBT, continued

Principal portion of long-term debt due within the next five years:

2017	61,642
2018	60,905
2019	59,153
2020	58,034
2021 and thereafter	1,080,481
	1,320,215

14. PROMISSORY NOTES

The promissory notes are provided by First Nation Finance Authority as follow:

	2016	2015
	\$	\$
The note is due on demand without principal repayment and interest is payable monthly at 2.60% per annum.	8,400,000	3,200,000
The note has a 25 year term, maturing on June 24, 2024. The note is repayable at \$19,900 per month with interest payable monthly at 2.985% per annum.	7,835,433	-
	16,235,433	3,200,000

During the year, the First Nation paid \$348,548 (2015: Nil) of interest on these promissory notes.

Subsequent to year end, the promissory note of \$8,400,000 was rolled over to debenture financing for a 25 year term repayable at \$19,199 per month plus interest at 2.90%.

15. ACCUMULATED SURPLUS

	2016	2015
	\$	\$
Restricted		
Ottawa Trust Fund	490,184	634,709
Housing Reserves	105,870	101,102
	596,054	735,811
Unrestricted		
Net invested in tangible capital assets	1,746,235	1,664,970
Operations	(247,539)	661,495
	1,498,696	2,326,465
	2,094,750	3,062,276

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

16. TANGIBLE CAPITAL ASSETS

	<u>2016</u> <u>Cost</u>		<u>2016</u> <u>Accumulated amortization</u>				2016 net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	
	\$	\$	\$	\$	\$	\$	
Buildings	1,077,859	548,594	1,626,453	285,531	54,387	339,918	1,286,535
Automotive equipment	11,000	-	11,000	7,700	2,200	9,900	1,100
Equipment	29,209	1,473	30,682	29,209	148	29,357	1,325
Canoes	13,025	-	13,025	10,094	439	10,533	2,492
Infrastructure	523,926	-	523,926	205,979	26,195	232,174	291,752
Social housing	1,359,556	-	1,359,556	460,113	40,970	501,083	858,473
Construction in progress	103,592	(103,592)	-	-	-	-	-
Marineside development	70,678	-	70,678	1,767	3,534	5,301	65,377
Culture Centre	591,698	12,383	604,081	14,792	29,895	44,687	559,394
	3,780,543	458,858	4,239,401	1,015,185	157,768	1,172,953	3,066,448
	<u>2015</u> <u>Cost</u> <u>Restated</u>		<u>2015</u> <u>Accumulated amortization</u> <u>Restated</u>				
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	
	\$	\$	\$	\$	\$	\$	
Buildings	897,360	180,499	1,077,859	236,151	49,380	285,531	792,328
Automotive equipment	11,000	-	11,000	5,500	2,200	7,700	3,300
Equipment	29,209	-	29,209	24,026	5,183	29,209	-
Canoes	13,025	-	13,025	9,575	519	10,094	2,931
Infrastructure	523,926	-	523,926	179,782	26,196	205,978	317,948
Social housing	1,344,835	14,721	1,359,556	419,444	40,669	460,113	899,443
Construction in progress	601,294	(497,702)	103,592	-	-	-	103,592
Marineside development	-	70,678	70,678	-	1,767	1,767	68,911
Culture Centre	-	591,698	591,698	-	14,792	14,792	576,906
	3,420,649	359,894	3,780,543	874,478	140,706	1,015,184	2,765,359

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

17. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the management.

18. EXPENSES BY OBJECT

	2016 Budget	2016 Actual	2015 Actual
Wages and benefits	\$ 957,867	\$ 1,487,527	\$ 1,261,098
Professional fees	226,190	643,968	528,500
Other expense	578,094	458,443	925,339
Interest and bank charges	31,828	409,925	39,987
Education related expenses	87,262	244,359	11,891
Amortization	-	157,768	140,706
Social assistance programs delivery	278,613	148,838	254,276
Repairs and maintenance	74,154	129,461	69,659
Travel	45,975	99,712	128,436
Material and supplies	35,116	69,291	48,860
Program delivery	603,757	45,237	20,120
Insurance	37,500	40,015	36,069
Per capita distribution	31,500	28,500	28,100
Professional Development	15,500	24,266	31,516
Construction cost	-	17,797	13,151
Communications and utilities	33,471	6,072	35,872
	4,011,179	3,573,580	

19. RELATED PARTY TRANSACTIONS

During the year, the First Nation received \$45,000 (2015: \$Nil) for management and account services provided, \$362,130 (2015, \$3,754) for interest on intercompany loan and \$35,000 (2015: \$Nil) of contribution from Malahat Investment Corporation. These transactions are in the normal course of operations and are measured at the exchange value which approximates the arm's length equivalent value for services rendered.

20. CONTRACTUAL OBLIGATIONS

The First Nation's total commitment for the next year under a business equipment lease is as follows:

	Total
2017	\$ 3,780

21. ECONOMIC DEPENDENCE

Malahat First Nation receives a significant portion of its revenue pursuant to a funding agreement with INAC. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

22. PRIOR PERIOD ADJUSTMENT

The comparative figures had been restated to reflect the following prior period adjustments:

- a) Investment in government business enterprises had been adjusted to include the share of income from Salish Straits Seafoods Ltd which was not available in the 2015 fiscal year. As a result, the income from government business enterprises, the investment in government business enterprises and the accumulated surplus had been increased by \$78,495, respectively.
- b) Investment in government business partnerships had been adjusted for loss from Malahat Construction Limited Partnership since the expenses in the partnership had been restated. As a result, loss from government business partnerships had been decreased by \$69,639, the investment in government business partnerships and the accumulated surplus had been increased by \$69,639, respectively.
- c) Investment in government business enterprises had been adjusted for loss from Malahat Investment Corporation since the expenses in the corporation had been restated. As a result, the loss from government business enterprises had been decreased by \$31,181, the investment in government business enterprises and the accumulated surplus had been increased by \$31,181.
- d) Tangible capital assets had been adjusted to include the expenditure for the construction of a Fourplex being incurred by Malahat Construction Limited Partnership. As a result, the amount due to Malahat Construction Limited Partnership had been decreased by \$69,639, the construction in progress, the acquisition in tangible capital assets and accumulated surplus had been increased by \$69,639, respectively.

23. CONTINGENCIES

The following contingencies existed as at March 31, 2016:

- a) INAC Ministerial Guarantees for loans to the First Nation and individual Band members in the amount of \$1,061,742 with an outstanding balance of \$785,222.
- b) Royal Bank of Canada credit facilities to qualified members of the First Nation with total advances not to exceed \$750,000. Funding under this program is restricted to the purchase, construction or improvement of housing on the Reserve or to refinance loans advanced by another financial institution for that purpose. The First Nation is required to provide a separate guarantee for each qualified borrower. The maximum individual amount available is \$150,000 with a \$10,000 minimum amount required. The First Nation has not been required to provide any guarantee related to this credit facility since initializations of the program on May 13, 2009.
- c) An action against the First Nation has been brought by Pacific Coast Forest Management and others for the amount of \$329,760 plus interest and costs. The First Nation has defended this action and has commenced a third party claim against the Government of Canada in respect of this matter. The likelihood and potential amount of loss associated with this claim is unknown. This claim commenced on July 27, 2010 and no steps have been taken since an Examination for Discovery on March 6, 2013.
- d) On March 18, 2016 and April 22, 2016, Notices of Civic Claim had been filed against the Malahat Investment Corporation ("Company") by former employees for wrongful dismissal. The Company filed responds to these actions on June 3, 2016. These actions are in the document production phase. We are unable to determine any subsequent actions or costs that may affect the Company at the date of the audit report.

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

24. SEGMENTED INFORMATION

The First Nation provides a wide variety of services to its members. For segment disclosure, these services are grouped and reported under service areas that are responsible for providing such services.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those in the preparation of the consolidated financial statements as follows:

	Indian Government Services			Treaty Negotiation			Health		
	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual
Revenues									
INAC	245,813	353,847	266,262	-	-	-	-	-	-
First Nation Health Authority	-	-	-	-	-	-	7,908	7,908	7,496
Funding from First Nation Organizations	57,400	25,000	41,201	-	-	40,000	-	-	-
Other revenue	110,000	(150,334)	525,437	-	-	-	-	-	-
Total revenue	413,213	228,513	832,900	-	-	40,000	7,908	7,908	7,496
Expenses									
Wages and benefits	659,508	814,933	752,216	-	-	-	7,513	7,513	6,632
Professional fees	96,250	306,762	162,221	-	-	12,383	-	-	-
Travel	42,475	74,887	97,465	-	-	-	-	-	-
Repairs and maintenance	-	489	-	-	-	-	-	-	-
Interest and bank charges	2,000	3,048	8,753	-	-	-	-	-	-
Per capita distribution	31,500	28,500	28,100	-	-	-	-	-	-
Other expenses	197,262	(153,713)	(283,504)	-	-	23,617	395	395	864
Total expenses	1,028,995	1,074,906	765,251	-	-	36,000	7,908	7,908	7,496
Annual surplus (deficit)	(615,782)	(846,393)	67,650	-	-	4,000	-	-	-

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

24. SEGMENTED INFORMATION, continued

	2016 Budget	Housing 2016 Actual	2015 Actual	Education, Employment and Training			Social Development		
	\$	\$	\$	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual
Revenues									
INAC	-	126,000	40,000	142,963	381,097	148,986	308,476	230,739	306,700
Canada Mortgage and Housing Corporation	72,504	44,386	57,474	-	-	-	-	-	-
Department of Justice Canada	-	-	-	-	-	-	10,000	10,000	-
First Nation Health Authority	-	-	-	-	2,000	-	-	-	-
Province of BC	-	-	-	-	-	-	20,000	20,000	-
Funding from First Nation Organizations	-	-	-	115,162	114,622	122,942	-	-	-
Rental income	82,646	80,798	77,655	-	500	-	-	-	-
Other revenue	-	(125,999)	19,020	30,900	190,729	68,439	28,500	(50,563)	45,694
Total revenue	155,150	125,185	194,149	289,025	688,948	340,367	366,976	210,176	352,394
Expenses									
Wages and benefits	-	10,556	30,142	100,747	286,917	161,681	29,863	142,576	27,739
Professional fees	4,000	6,193	34,624	-	49,182	65,857	-	9,110	-
Social assistance programs delivery	-	-	-	-	-	-	278,613	148,838	254,276
Travel	-	6	-	-	13,879	15,621	-	9,054	5,947
Repairs and maintenance	46,260	22,780	16,054	-	973	-	-	425	-
Education related expenses	-	-	-	87,262	244,359	11,891	-	-	-
Interest and bank charges	29,828	52,512	29,828	-	2,562	1,406	-	-	-
Other expenses	75,062	119,653	189,267	251,016	125,728	119,831	58,500	24,538	6,331
Total expenses	155,150	211,700	299,915	439,025	723,600	376,287	366,976	334,541	294,293
Annual surplus (deficit)	-	(86,515)	(105,765)	(150,000)	(34,652)	(35,920)	-	(124,365)	58,101

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

24. SEGMENTED INFORMATION, continued

	Economic Development			Community Infrastructure			Ottawa Trust Fund		
	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
INAC	294,239	294,239	164,322	228,723	334,938	311,277	-	-	-
Fisheries and Oceans Canada	44,980	40,392	44,880	-	-	-	-	-	-
Province of BC	35,000	35,000	35,000	-	-	-	-	-	-
Net income from Government Business Partnerships	-	-	-	3,548	133,800	78,548	-	-	-
Other revenue	970,309	1,023,251	1,455,636	5,600	(101,108)	170,138	-	11,318	35,528
Total revenue	1,344,528	1,392,882	1,699,838	237,871	367,630	559,963	-	11,318	35,528
Expenses									
Wages and benefits	128,705	136,334	182,198	31,531	88,698	100,490	-	-	-
Professional fees	16,443	130,399	220,671	109,497	142,322	32,744	-	-	-
Travel	3,500	766	6,418	-	1,120	2,985	-	-	-
Repairs and maintenance	-	1,885	-	27,894	97,070	53,606	-	-	-
Interest and bank charges	-	351,789	-	-	14	-	-	-	-
Other expenses	647,643	506,108	201,777	73,560	40,337	453,449	-	155,843	540,000
Total expenses	796,291	1,127,281	611,064	242,482	369,561	643,274	-	155,843	540,000
Annual surplus (deficit)	548,237	265,601	1,088,774	(4,611)	(1,931)	(83,311)	-	(144,525)	(504,472)

MALAHAT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2016

24. SEGMENTED INFORMATION, continued

	2016 Budget	Housing Reserves		Consolidated totals		
		2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual
	\$	\$	\$	\$	\$	\$
Revenues						
INAC	-	-	-	1,220,214	1,720,860	1,237,547
Canada Mortgage and Housing Corporation	-	-	-	72,504	44,386	57,474
Department of Justice Canada	-	-	-	10,000	10,000	-
Fisheries and Oceans Canada	-	-	-	44,980	40,392	44,880
First Nation Health Authority	-	-	-	7,908	9,908	7,496
Province of BC	-	-	-	55,000	55,000	35,000
Funding from First Nation Organizations	-	-	-	176,110	273,422	282,691
Rental income	-	-	-	82,646	81,298	77,655
Other revenue	-	11,093	11,226	1,145,309	808,387	2,331,118
Total revenue	-	11,093	11,226	2,814,671	3,043,653	4,073,861
Expenses						
Wages and benefits	-	-	-	957,867	1,487,527	1,261,098
Professional fees	-	-	-	226,190	643,968	528,500
Social assistance programs delivery	-	-	-	278,613	148,838	254,276
Travel	-	-	-	45,975	99,712	128,436
Repairs and maintenance	-	5,839	-	74,154	129,461	69,660
Withdrawal	-	-	-	87,262	244,359	11,891
Interest and bank charges	-	-	-	31,828	409,925	39,987
Per capita distribution	-	-	-	31,500	28,500	28,100
Other expenses	-	-	-	1,303,438	818,889	1,251,632
Total expenses	-	5,839	-	3,036,827	4,011,179	3,573,580
Annual surplus (deficit)	-	5,254	11,226	(222,156)	(967,526)	500,281