

**TSECYCUM FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

**INDEX**

**Auditors' Report**

**Exhibit "A" – Consolidated Statement of Financial Position  
at March 31, 2015**

**Exhibit "B" – Consolidated Statement of Operations and Accumulated Surplus  
for the year ended March 31, 2015**

**Exhibit "C" – Consolidated Statement of Changes in Net Debt  
for the year ended March 31, 2015**

**Exhibit "D" - Consolidated Statement of Cash Flows  
for the year ended March 31, 2015**

**Notes to the Consolidated Financial Statements**

**Review Engagement Report**

**Annex "B" – Schedule of Salaries, Honoraria, Travel and Other Remuneration**

**Review Engagement Report**

**Annex "C" – Schedule of Remuneration and Expenses Paid to Unelected Senior Officials**

**Reconciliation of Revenue to FNITP**



Alex E. Palmer, B.Sc., C.P.A., C.A.\*  
Tammy Leslie, C.P.A., C.G.A., C.A.\*

\*A Professional Corporation

To the Members of  
Tseycum First Nation

### AUDITORS' REPORT

We have audited the accompanying consolidated financial statements of Tseycum First Nation, which comprise the Consolidated Statement of Financial Position as at March 31, 2015 and the Consolidated Statements of Operations and Accumulated Surplus, Change in Net Financial Debts and Cash Flows 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 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 of 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 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.

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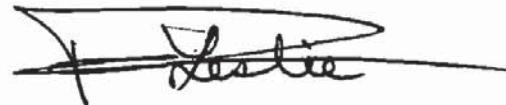
To the Members of  
Tseycum First Nation  
Auditors' Report  
Page 2

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Tseycum First Nation as at March 31, 2015, and the results of its operations, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Duncan, BC  
July 22, 2015



Chartered Professional Accountants

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**TSEYCUM FIRST NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2015**

## **Exhibit "A"**

	2015	2014
<b>Financial Assets</b>		
Cash and cash equivalents (Note 7)	\$ 581,194	\$ 352,929
Accounts receivable (Note 4)	138,934	115,373
Portfolio investments (Note 5)	3	3
	<u>720,131</u>	<u>468,305</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	99,552	75,199
Deferred revenues	40,000	-
Bank loans (Notes 9 & 16)	629,121	683,318
Accrued payroll and benefits	8,412	7,416
	<u>777,085</u>	<u>765,933</u>
<b>Net Debt - Exhibit "C"</b>	<u>(56,954)</u>	<u>(297,628)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Notes 1 & 10)	4,942,809	5,168,222
Deferred expenditures (Note 6)	37,262	39,405
	<u>4,980,071</u>	<u>5,207,627</u>
<b>Accumulated Surplus - Exhibit "B"</b>	<u>\$ 4,923,117</u>	<u>\$ 4,909,999</u>

Chad Van Gaster  
Chief

Josephine Doe  
Cetnacilor

Henretta Charles  
Councilor

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## Councilor

Exhibit "B"

**TSEYCUM FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
<b>Revenue</b>		
Federal Government:		
Aboriginal Affairs and Northern Development Canada	\$ 745,365	\$ 647,308
Department of Fisheries and Oceans	40,090	40,090
Mortgage and Housing Corporation	66,952	41,962
Parks Canada	3,150	17,315
Provincial Government	75,323	10,323
Victoria Airport Authority	2,500	-
Coast Salish Employment and Training Society	55,638	53,138
Fishing license lease	160,383	35,000
First Nation Education Steering Committee	7,822	2,953
First Nation Health Authority	5,000	-
Victoria Native Friendship Centre	14,698	3,398
Intertribal Health Authority	240,560	225,707
Nature Conservancy of Canada	25,280	-
Tsartlip First Nation	48,351	45,831
BC Hydro	2,000	2,000
Camosun College	8,025	-
University of BC	1,500	-
University of Victoria	2,565	-
South Island Wellness	-	3,395
New Relationship Trust	23,351	-
Interest	3,685	4,126
Rent	103,818	101,253
Trust funds held by Federal Gov't (Note 7)	567	680
Economic activities - other	3,088	17,751
	<u>\$ 1,639,691</u>	<u>\$ 1,252,230</u>
<b>Expenses</b>		
Amortization	229,101	241,410
Operating fund (net of cost allocations) (Note 11)	1,274,069	1,066,898
Social housing (net of cost allocations) (Note 11)	79,036	82,447
General capital fund (net of cost allocations) (Note 11)	44,367	-
	<u>1,626,573</u>	<u>1,390,755</u>
<b>Annual surplus/(deficit) - Exhibits "C" &amp; "D"</b>	13,118	(138,525)
<b>SURPLUS, beginning of year</b>	<u>4,909,999</u>	<u>5,048,524</u>
<b>Accumulated Surplus/(Deficit), end of year - Exhibit "A"</b>	<u>\$ 4,923,117</u>	<u>\$ 4,909,999</u>

**Exhibit "C"**

**TSEYCUM FIRST NATION  
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED MARCH 31, 2015**

	<b>2015</b>	<b>2014</b>
<b>Annual Surplus - Exhibit "B"</b>	<b>\$ 13,118</b>	<b>\$ (138,525)</b>
Acquisition of tangible capital assets	(3,688)	(7,491)
Amortization of tangible capital assets	229,101	241,410
Use of prepaid expenses	2,143	(18,588)
 (Increase)/Decrease in net debt	 240,674	76,806
 Net debt, beginning of year	 (297,628)	 (374,434)
 Net debt, end of year - Exhibit "A"	 <b>\$ (56,954)</b>	 <b>\$ (297,628)</b>

**TSEYCUM FIRST NATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
<b>Operating transactions</b>		
Annual Surplus - Exhibit "B"	\$ 13,118	\$ (138,525)
Non-cash items included in annual surplus/(deficit)		
Amortization of tangible capital assets	<u>229,101</u>	<u>241,410</u>
	<u>242,219</u>	<u>102,885</u>
Change in non-cash working capital balances		
Accounts receivable	(23,561)	209,446
Deferred expenditures	2,143	(18,588)
Accounts payable and accrued liabilities	24,353	(117,277)
Deferred revenues	40,000	-
Accrued payroll and benefits	996	2,013
Cash provided by operating transactions	<u>286,150</u>	<u>178,479</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	<u>(3,688)</u>	<u>(7,491)</u>
<b>Financing transactions</b>		
Repayment of loans	<u>(54,197)</u>	<u>(51,426)</u>
Cash applied to financing transactions	<u>(54,197)</u>	<u>(51,426)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>228,265</b>	<b>119,562</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>352,929</b>	<b>233,367</b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 581,194</u></b>	<b><u>\$ 352,929</u></b>
<b>Represented by:</b>		
<b>Cash and cash equivalents</b>	<b><u>\$ 581,194</u></b>	<b><u>\$ 352,929</u></b>

**TSEYKUM FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These summarized financial statements have been prepared in accordance with Generally Accepted Accounting Principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, which encompasses the following principles:

**Fund Accounting**

The assets and liabilities have been segregated by fund in respective statements of financial position. Operating results are reported by schedule for the purpose of providing information relating to specific objectives, as determined by statutory requirement, management needs or pursuant to various fiscal arrangements entered into by the First Nation.

The Operating Fund reports the general and local Government activities of the First Nation Administration.

The Social Housing Fund reports the activities within the First Nation sponsored Social Housing Program.

The Enterprise Fund reports the results of activities for independent commercial entities owned by the First Nation.

The Trust Fund reports on trust funds owned by the First Nation and held by third parties.

The Capital Fund reports the capital asset transactions of the First Nation, including information as to the source and application of financing.

**Saanich Indian School Board**

Tseykum First Nation has permitted Aboriginal Affairs and Northern Development Canada to allocate its education funding to the Saanich Indian School Board. Aboriginal Affairs and Northern Development Canada has contributed these monies directly to the School Board. Tseykum First Nation is not responsible for the activities of the school.

**Asset Classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver First Nation services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

*Palmer Leslie*  
Chartered Accountants

# TSEYCUM FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES cont'd

#### **Tangible Capital Assets**

Buildings, infrastructure and equipment expenditures incurred after March 31, 2000 were valued at acquisition cost and were recorded in the Capital Fund. With the exception of Band Owned Housing and Social Housing, expenditures incurred previous to April 1, 2000 were charged to operations in the year of acquisition and had not been reflected in the Capital Fund.

The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are funded by the applicable revenue source in the year of acquisition. These expenditures are also recorded as an addition to the assets of the Capital Fund with a corresponding increase in Equity in Capital Assets.

Tangible Capital Assets are amortized annually with a corresponding reduction in Equity in Capital Assets. Assets are amortized over their expected useful life using the declining balance method at the following rates:

Buildings	4%
Community Infrastructure	4%
Equipment	20%
General Housing	5%
Computers	100%

In the year of acquisition 50% of the normal amortization is recorded.

#### **Net Debt**

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

#### **Revenue Recognition**

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements.

Funding received which relates to the following fiscal period is reflected as deferred revenue on the Statement of Financial Position.

Funding which is received and recorded as revenue in the current period, but which is committed to expenditures in the subsequent period or is subject to recovery by the funding agency, is classified as a restricted surplus.

# TSEYCUM FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES cont'd

#### **Measurement Uncertainty**

In preparing the financial statements for the government of Tseyecum First Nation, 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 allowance for doubtful accounts and accrued liabilities. Actual results could differ from these estimates.

### 2. ECONOMIC DEPENDENCE

The First Nation received a major portion of its operating revenues pursuant to an agreement referred to as "The Comprehensive Funding Arrangement". This agreement has been entered into by Tseyecum First Nation and Aboriginal Affairs and Northern Development Canada. It is expected that the agreement will be renewed on an annual basis.

Funding is based on an annual budget which is agreed to by the parties and consists of flexible transfer payments and contribution payments. In the case of the flexible transfer payments, the First Nation is permitted to use surpluses at its own discretion, provided the terms and conditions of the agreement are met, but must take responsibility for any deficits. In the case of the contribution payments, any surpluses must be returned to Aboriginal Affairs and Northern Development Canada.

### 3. TRANSFERS

All transfers between funds have been approved by the Council with an appropriate Band Council Resolution having been affected where required.

*Palmer Leslie  
Chartered Accountant*

**TSEYCUM FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

**4. ACCOUNTS RECEIVABLE**

	<b>2015</b>	<b>2014</b>
<b>Operating Fund</b>		
Band Members	\$ 12,033	\$ 13,827
Government of Canada		
Parks Canada	-	2,750
Aboriginal Affairs and Northern Development Canada	-	15,430
Department of Fisheries and Oceans	44,099	8,018
Goods and Services Tax	1,263	1,760
Child Maintenance	(732)	(582)
Province of British Columbia	-	6,963
Goldstream Specific Claim Settlement	-	3,000
Coast Salish Employment and Training Society	7,276	12,576
Tsartlip First Nation	25,224	-
First Nation Entities	2,350	-
Miscellaneous	<u>945</u>	<u>1,858</u>
	<u>92,458</u>	<u>66,600</u>
<b>Social Housing Fund</b>		
Rent	<u>46,476</u>	<u>49,773</u>
	<b><u>\$ 138,934</u></b>	<b><u>\$ 115,373</u></b>

**5. PORTFOLIO INVESTMENTS**

	<b>2015</b>	<b>2014</b>
Long Term Investments	<u>\$ 3</u>	<u>\$ 3</u>

This corporation is a subsidiary of the First Nation and was incorporated under the British Columbia Company Act on July 26, 2001. The company's year end is March 31. The company is presently inactive and its only asset is a trailer. All operating expenses for the asset are paid by the First Nation and are reflected in these financial statements.

*Palmer Leslie*  
Chartered Accountants

**TSEYCUM FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

**6. DEFERRED EXPENDITURES**

Deferred expenditures consist of the following payments made in the current year which are related to activities in the next fiscal period.

	2015	2014
Prepaid Insurance	\$ 20,235	\$ 20,235
Prepaid Honoraria	4,400	4,350
Social Development payments	<u>12,627</u>	<u>14,820</u>
	<u><u>\$ 37,262</u></u>	<u><u>\$ 39,405</u></u>

**7. RESTRICTED CASH**

Ottawa Trust Funds	\$ 5,868	\$ 5,301
Replacement Reserve	<u>164,844</u>	<u>154,550</u>
	<u><u>\$ 170,712</u></u>	<u><u>\$ 159,851</u></u>

**Ottawa Trust Funds**

The Ottawa 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.

	Opening Balance	Additions	Withdrawals	Closing Balance 2015	2014
Revenue	\$ 4,702	\$ 5,617	-	\$ 5,269	\$ 4,702
Capital	599	-	-	<u>599</u>	<u>599</u>
				<u><u>\$ 5,868</u></u>	<u><u>\$ 5,301</u></u>

*Palmer Leslie*  
Chartered Accountants

**TSEYCUM FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

**7. RESTRICTED CASH cont'd**

**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 \$13,556 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.

**Subsidy Surplus Reserve**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, excess federal assistance payments received may be retained in a subsidy surplus reserve up to a maximum of \$500 per unit plus interest. The reserve is to be comprised of monies deposited 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 this account may only be used to meet future subsidy requirements of income tested occupants over and above the maximum federal assistance. At year end, this Reserve was not funded.

**8. USE OF ESTIMATES**

The preparation of financial statements in accordance with Generally Accepted Accounting Principles for the Public Sector Accounting Board requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the collectibility of accounts receivable, deferred revenues and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

**TSEYCUM FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**9. LONG TERM DEBT**

Lender	Loan	Interest Rate	Compounding	Maturity Date	Monthly Payment	2015	2014
<b>Band Owned Housing Loans</b>							
The following loans are secured by a Ministerial Guarantee utilizing the Ottawa Trust Funds as security:							
Royal Bank	Demand Loan	2.61%	Semi-Annual	Dec. 2017	\$ 1,056	\$ 78,329	\$ 88,812
<b>Social Housing Loans</b>							
The following loans are governed by the Canada Mortgage and Housing Corporation funding arrangement and are secured by Ministerial Guarantee utilizing the Ottawa Trust Funds as security:							
CMHC – Royal Bank	Demand Loan	2.47%	Semi-Annual	July 2017	\$ 2,270	\$ 61,695	\$ 87,078
CMHC - Royal Bank	Demand Loan	3.54%	Semi-Annual	Oct. 2018	<u>\$ 2,996</u>	<u>\$ 489,097</u>	<u>\$ 507,428</u>
<b>TOTAL GROSS DEBT</b>					<u>\$ 6,322</u>	<u>\$ 629,121</u>	<u>\$ 683,318</u>

*Palmer Leslie*  
Chartered Accountants

TSEYCUM FIRST NATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015

**9. LONG TERM DEBT cont'd**

<b>FUTURE SCHEDULED PRINCIPAL REDUCTION</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Band Owned Housing Loans</b>					
Royal Bank	\$ 10,755	\$ 11,039	\$ 56,535	-	-
<b>Social Housing Loans</b>					
CMHC – Royal Bank	26,012	26,661	9,022	-	-
CMHC – Royal Bank	<u>18,940</u>	<u>19,621</u>	<u>20,327</u>	<u>430,210</u>	<u>-</u>
<b>TOTAL</b>	<b><u>\$ 55,707</u></b>	<b><u>\$ 57,321</u></b>	<b><u>\$ 85,884</u></b>	<b><u>\$ 430,210</u></b>	<b><u>\$ -</u></b>

*Palmer Leslie*  
Chartered Accountants

# TSEYCUM FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 10. TANGIBLE CAPITAL ASSETS

	Cost Mar. 31, 2014	Additions	Dispositions/ Transfers	Cost Mar. 31, 2015
<b>Operating Fund</b>				
Band Housing	\$ 2,238,492	\$ -	\$ -	\$ 2,238,492
Multi Purpose Building and Longhouse	223,505	-	-	223,505
Portables	140,652	-	-	140,652
Drainage Improvements	582,516	-	-	582,516
Water Mains and Road Upgrades	960,304	-	-	960,304
Infrastructure	729,966	-	-	729,966
Sewer Systems	522,045	-	-	522,045
Foreshore Project	167,773	-	-	167,773
General Equipment	118,528	3,688	-	122,216
Marine Equipment	34,885	-	-	34,885
Vehicle Equipment	22,991	-	-	22,991
Office Equipment	76,699	-	-	76,699
Computer Equipment	<u>31,715</u>	<u>-</u>	<u>-</u>	<u>31,715</u>
	<u>5,850,071</u>	<u>3,688</u>	<u>-</u>	<u>5,853,759</u>
<b>Social Housing Fund</b>				
Buildings and Equipment	<u>1,146,538</u>	<u>-</u>	<u>-</u>	<u>1,146,538</u>
	<u><u>\$ 6,996,609</u></u>	<u><u>\$ 3,688</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,000,297</u></u>
	Accumulated Amortization	Amortization	Dispositions/ Transfers	Accumulated Amortization
<b>Operating Fund</b>				
Band Housing	\$ 407,145	\$ 73,253	\$ -	\$ 480,398
Multi Purpose Building and Longhouse	91,141	4,895	-	96,036
Portables	49,819	6,737	-	56,556
Drainage Improvements	156,693	17,033	-	173,726
Water Mains and Road Upgrades	78,140	35,288	-	113,428
Infrastructure	136,176	23,752	-	159,928
Sewer Systems	190,305	13,269	-	203,574
Foreshore Project	57,401	4,415	-	61,816
General Equipment	81,018	7,503	-	88,521
Marine Equipment	27,395	1,498	-	28,893
Vehicle Equipment	9,312	4,104	-	13,416
Office Equipment	67,173	2,275	-	69,448
Computer Equipment	<u>31,715</u>	<u>-</u>	<u>-</u>	<u>31,715</u>
	<u>1,383,433</u>	<u>194,022</u>	<u>-</u>	<u>1,577,455</u>
<b>Social Housing Fund</b>				
Buildings and Equipment	<u>444,954</u>	<u>35,079</u>	<u>-</u>	<u>480,033</u>
	<u><u>\$ 1,828,387</u></u>	<u><u>\$ 229,101</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,057,488</u></u>
Net Book Value	<u><u>\$ 5,168,222</u></u>			<u><u>\$ 4,942,809</u></u>

*Palmer Leslie  
Chartered Accountants*

**TSEYCUM FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

**10. TANGIBLE CAPITAL ASSETS cont'd**

Interest included in cost of additions in the year ended March 31, 2015 totaled \$nil (2014 - \$nil). All tangible capital assets were amortized in the year.

**11. EXPENDITURES BY OBJECT**

	2015	2014
<b>Operating fund</b>		
Advertising and donations	\$ 200	\$ 1,201
Bad expense (recovery)	12,968	(55,013)
Basic needs	254,387	295,768
Bank charges and interest	3,396	3,709
Bereavement	3,848	3,600
Contract - general	104,500	83,699
Equipment lease	3,598	3,932
Equipment purchases	3,688	7,491
Honoraria	101,050	84,390
Insurance	13,782	12,751
Management planning	-	2,750
Materials and supplies	27,616	22,784
Meetings	18,870	18,332
Membership pay-out	1,800	5,200
Mortgage interest	12,602	12,702
Office licenses and dues	11,464	1,783
Professional fees	43,000	36,140
Programs	210,102	159,919
Repairs and maintenance	73,389	35,717
Training	6,983	1,853
Travel	15,369	14,844
Telephone	21,892	19,551
Utilities	21,145	21,279
Wages and benefits	295,739	282,297
Cost allocations	<u>12,681</u>	<u>(9,781)</u>
	<u><u>\$ 1,274,069</u></u>	<u><u>\$ 1,066,898</u></u>
<b>General Capital fund</b>		
Cost allocations	<u>\$ 44,367</u>	<u>\$ -</u>

*Palmer Leslie*

Chartered Accountants

# TSEYCUM FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 11. EXPENDITURES BY OBJECT Cont'd

#### Social Housing

	\$ 15	\$ -
Bank Charges	7,797	8,080
Contract – general	8,753	8,753
Insurance	1,532	5,661
Materials and supplies	63,126	63,946
Mortgage interest	3,000	3,550
Professional fees	13,556	13,556
Replacement Reserve	639	2,549
Repairs and maintenance	-	8
Travel	37,887	31,132
Utilities	(57,269)	(54,788)
	<u>\$ 79,036</u>	<u>\$ 82,447</u>

### 12. RESTRICTED EQUITY IN FINANCIAL ASSETS

Certain program surpluses are restricted as to their use. They may be committed to the continuation of the particular program, subject to recovery by the applicable funding agency, or generally accessible for limited purposes only and not available for use in general operations.

### 13. DEFICIT RECOVERY AND GOING CONCERN CONSIDERATIONS

The First Nation is economically dependent on the Department of Aboriginal Affairs and Northern Development Canada (AANDC). The funding to the First Nation is expected to last in the foreseeable future, however, if funding is lost, the First Nation could not continue operations.

### 14. RELATED PARTIES

At year end, payroll advances and loans to Elected Officials of the First Nation totaled \$11,446 (2014 - \$11,216).

The First Nation has guaranteed three members' mortgages for new homes built on the reserve in prior years. The balances in the three mortgages at March 31, 2015 are \$77,330 \$52,147 and \$27,855 (2014 - \$163,166). Should any of the members default on their loan, the title to the home would revert to the First Nation. Two of the homes were appraised at \$298,000 and \$285,000 respectively at March 31, 2007.

### 15. COMPARATIVE FIGURES

The comparative balances have been reclassified where necessary to the current financial statement format.

## TSEYCUM FIRST NATION

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED MARCH 31, 2015

##### **16. FINANCIAL INSTRUMENTS**

The First Nation's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. It is the First Nation Management's opinion that the First Nation is not exposed to significant interest rate, credit, or currency risk arising from these financial instruments.

##### **Held for trading**

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition of adoption of CICA (PSAB) 3450 Financial Instruments - Recognition and Measurement, even if that instrument would otherwise satisfy the definition of held for trading. The First Nation has classified the following assets and liabilities as held for trading: cash and term deposits.

The First Nation's held for trading instruments are initially recognized at their fair value. Any gain/loss arising as a result of the difference between the carrying amount and their fair value is recognized in net income. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are not recorded on the settlement date. Held for trading financial instruments are subsequently measured at their fair value. Net gains and losses arising from changes in fair value are recognized immediately in income.

##### **Loans and receivables**

The First Nation has classified the following financial assets as loans and receivables: accounts receivable. The assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell items are recorded on the settlement date. Total interest income, calculated using the effective interest rate method, is recognized in total income.

##### **Other financial liabilities**

The First Nation has classified the following financial liabilities as other financial liabilities: accounts payable. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date. Total interest expense (if any) is calculated using the effective interest rate method and would be recognized in net income.