

**TSECYCUM FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2016**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

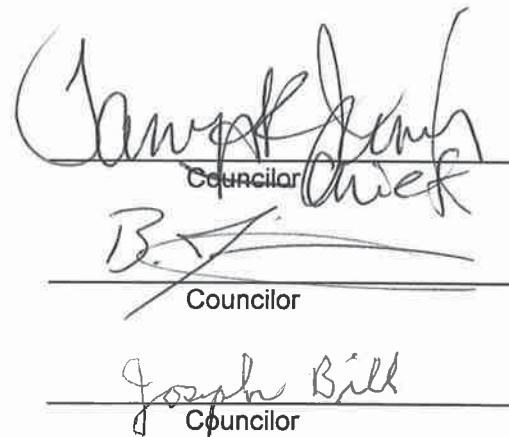
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The financial statements of Tseyecum First Nation have been prepared in accordance with Canadian accounting standards for public sector organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Tseyecum First Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Chief and Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Chief and Council and meets periodically with management and the shareholders' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Chief and council rs prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the shareholders by PALMER LESLIE, Chartered Professional Accountants, in accordance with Canadian accounting standards for public sector organizations.



Carolyn Denyer  
Councilor

Brian St. John  
Councilor

Joseph Bill  
Councilor

Sidney, BC  
July 28, 2016



Alex E. Palmer, 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, 2016 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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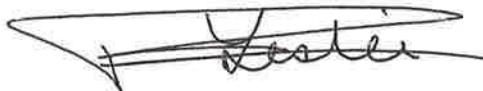
To the Members of  
Tseycum First Nation  
Auditors' Report  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*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, 2016, 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 28, 2016



Chartered Professional Accountants

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**Exhibit "A"**

**TSEYCUM FIRST NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2016**

	2016	2015
<b>Financial Assets</b>		
Cash and cash equivalents (Note 7)	\$ 225,605	\$ 581,194
Accounts receivable (Note 4)	209,647	138,934
Portfolio investments (Note 5)	3	3
	<u>435,255</u>	<u>720,131</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	89,911	99,552
Deferred revenues	132,290	40,000
Bank loans (Notes 9 & 16)	573,418	629,121
Accrued payroll and benefits	11,118	8,412
	<u>806,737</u>	<u>777,085</u>
<b>Net Debt - Exhibit "C"</b>	<u>(371,482)</u>	<u>(56,954)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Notes 1 & 10)	4,726,786	4,942,809
Deferred expenditures (Note 6)	15,567	37,262
	<u>4,742,353</u>	<u>4,980,071</u>
<b>Accumulated Surplus - Exhibit "B"</b>	<u>\$ 4,370,871</u>	<u>\$ 4,923,117</u>

  
Chief

  
Joseph Bill  
Councilor

  
Councilor

  
Councilor

**Exhibit "B"**

**TSEYCUM FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>2016</b>		<b>2015</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Revenue</b>			
Federal Government:			
Aboriginal Affairs and Northern Development Canada	\$ 681,629	\$ 663,164	\$ 745,365
Department of Fisheries and Oceans	44,090	44,099	40,090
Mortgage and Housing Corporation	41,728	41,728	66,952
Parks Canada	15,830	15,830	3,150
Provincial Government	15,874	15,874	75,323
Victoria Airport Authority	1,000	1,000	2,500
Coast Salish Employment and Training Society	42,625	53,138	55,638
Fishing license lease	97,000	99,500	160,363
First Nation Education Steering Committee	2,693	3,287	7,822
First Nation Health Authority	550	550	5,000
Victoria Native Friendship Centre	18,943	18,943	14,698
Intertribal Health Authority	178,576	272,394	240,560
Nature Conservancy of Canada	-	-	25,280
Tsartlip First Nation	45,831	45,831	48,351
Tsawaout First Nation	6,035	6,035	-
BC Hydro	2,000	2,000	2,000
Camosun College	35,788	35,788	8,025
University of BC	-	-	1,500
University of Victoria	250	250	2,565
Vancouver Port Authority	37,000	37,000	-
New Relationship Trust	4,000	4,000	23,351
Interest	3,014	3,014	3,685
Rent	100,073	100,073	103,818
Trust funds held by Federal Gov't (Note 7)	-	559	567
Economic activities - other	34,553	13,874	3,088
	<b>1,409,082</b>	<b>1,477,931</b>	<b>1,639,691</b>
<b>Expenses</b>			
Amortization	-	217,891	229,101
Operating fund (net of cost allocations) (Note 11)	-	1,680,242	1,274,069
Social housing (net of cost allocations) (Note 11)	-	87,044	79,036
General capital fund (net of cost allocations) (Note 11)	-	45,000	44,367
	<b>-</b>	<b>2,030,177</b>	<b>1,626,573</b>
<b>Annual surplus/(deficit) - Exhibits "C" &amp; "D"</b>	<b>1,409,082</b>	<b>(552,246)</b>	<b>13,118</b>
<b>SURPLUS, beginning of year</b>	<b>4,923,117</b>	<b>4,923,117</b>	<b>4,909,999</b>
<b>Accumulated Surplus/(Deficit), end of year - Exhibit "A"</b>	<b>\$ 6,332,199</b>	<b>\$ 4,370,871</b>	<b>\$ 4,923,117</b>

**Exhibit "C"**

**TSEYCUM FIRST NATION**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	2016	2015
<b>Annual Surplus - Exhibit "B"</b>	<b>\$ (552,246)</b>	<b>\$ 13,118</b>
Acquisition of tangible capital assets	(7,860)	(3,688)
Disposal of tangible capital assets	5,992	-
Amortization of tangible capital assets	217,891	229,101
Use of prepaid expenses	21,695	2,143
 (Increase)/Decrease in net debt	 (314,528)	240,674
 Net debt, beginning of year	 <u>(56,954)</u>	 <u>(297,628)</u>
 Net debt, end of year - Exhibit "A"	 <u><u>\$ (371,482)</u></u>	 <u><u>\$ (56,954)</u></u>

**Exhibit "D"**

**TSEYCUM FIRST NATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	2016	2015
<b>Operating transactions</b>		
Annual Surplus - Exhibit "B"	\$ (552,246)	\$ 13,118
Non-cash items included in annual surplus/(deficit)		
Gain on disposal of tangible capital assets	(2,008)	-
Amortization of tangible capital assets	<u>217,891</u>	<u>229,101</u>
	<u>(336,363)</u>	<u>242,219</u>
Change in non-cash working capital balances		
Accounts receivable	(70,713)	(23,561)
Deferred expenditures	21,695	2,143
Accounts payable and accrued liabilities	(9,641)	24,353
Deferred revenues	92,290	40,000
Accrued payroll and benefits	<u>2,706</u>	<u>996</u>
Cash provided by operating transactions	<u>(300,026)</u>	<u>286,150</u>
<b>Capital transactions</b>		
Proceeds on disposal of capital assets	8,000	-
Acquisition of tangible capital assets	<u>(7,860)</u>	<u>(3,688)</u>
Cash provided/(applied) by capital transactions	<u>140</u>	<u>(3,688)</u>
<b>Financing transactions</b>		
Repayment of loans	<u>(55,703)</u>	<u>(54,197)</u>
Cash applied to financing transactions	<u>(55,703)</u>	<u>(54,197)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(355,589)</b>	<b>228,265</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>581,194</b>	<b>352,929</b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 225,605</u></b>	<b><u>\$ 581,194</u></b>
<b>Represented by:</b>		
<b>Cash and cash equivalents</b>	<b><u>\$ 225,605</u></b>	<b><u>\$ 581,194</u></b>

# **TSEYCUM FIRST NATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED MARCH 31, 2016**

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

These summarized financial statements have been prepared in accordance with Generally Accepted Accounting Standards for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional 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**

Tseycum 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. Tseycum 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.

# TSEYCUM FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 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, 2016**

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

**Measurement Uncertainty**

In preparing the financial statements for the government of Tseycum 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 Tseycum 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 Professional Accountants

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

**4. ACCOUNTS RECEIVABLE**

	2016	2015
<b>Operating Fund</b>		
Band Members	\$ 47,441	\$ 12,033
Government of Canada		
Parks Canada	7,575	-
Department of Fisheries and Oceans	21,502	44,099
Goods and Services Tax	4,906	1,263
Child Maintenance	(732)	(732)
Province of British Columbia	3,800	-
Camosun College	32,788	-
Coast Salish Employment and Training Society	4,567	7,276
Canada Mortgage and Housing	25,224	25,224
First Nation Entities	772	2,350
Miscellaneous	<u>13,052</u>	<u>945</u>
	<u>160,895</u>	<u>92,458</u>
<b>Social Housing Fund</b>		
Rent	<u>47,567</u>	<u>46,476</u>
	<u><u>\$ 208,462</u></u>	<u><u>\$ 138,934</u></u>

**5. PORTFOLIO INVESTMENTS**

	2016	2015
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 Professional Accountants**

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

**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.

	2016	2015
Prepaid Insurance	\$ -	\$ 20,235
Prepaid Honoraria	-	4,400
Social Development payments	<u>15,567</u>	<u>12,627</u>
	<u><b>\$ 15,567</b></u>	<u><b>\$ 37,262</b></u>

**7. RESTRICTED CASH**

Ottawa Trust Funds	\$ 6,427	\$ 5,868
Replacement Reserve	<u>175,090</u>	<u>164,844</u>
	<u><b>\$ 181,517</b></u>	<u><b>\$ 170,712</b></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	
				2016	2015
Revenue	\$ 5,269	\$ 559	-	\$ 5,828	\$ 5,269
Capital	599	-	-	<u>599</u>	<u>599</u>
				<u><b>\$ 6,427</b></u>	<u><b>\$ 5,868</b></u>

## TSEYCUM FIRST NATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

#### 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 Standards 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.

*Palmer Leslie*  
Chartered Professional Accountants

## 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	2016	2015
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#### Band Owned Housing Loans

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	\$ 67,574	\$ 78,329
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#### Social Housing Loans

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	\$ 35,685	\$ 61,695
CMHC - Royal Bank	Demand Loan	3.54%	Semi-Annual	Oct. 2018	\$ 2,996	\$ 470,159	\$ 489,097
<b>TOTAL GROSS DEBT</b>					<b>\$ 6,322</b>	<b>\$ 573,418</b>	<b>\$ 629,121</b>

**TSEYCUM FIRST NATION**

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

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

	<b>FUTURE SCHEDULED PRINCIPAL REDUCTION</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Band Owned Housing Loans</b>						
Royal Bank		\$ 11,039	\$ 56,535	\$ -	\$ -	\$ -
<b>Social Housing Loans</b>						
CMHC – Royal Bank		26,661	9,022	-	-	-
CMHC – Royal Bank		<u>19,621</u>	<u>20,327</u>	<u>22,000</u>	<u>23,000</u>	<u>385,210</u>
<b>TOTAL</b>		<b><u>\$ 57,321</u></b>	<b><u>\$ 85,884</u></b>	<b><u>\$ 22,000</u></b>	<b><u>\$ 23,000</u></b>	<b><u>\$ 385,210</u></b>

# TSEYCUM FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 10. TANGIBLE CAPITAL ASSETS

	Cost Mar. 31, 2015	Additions	Dispositions/ Transfers	Cost Mar. 31, 2016
<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	122,216	-	-	122,216
Marine Equipment	34,885	-	(34,885)	-
Vehicle Equipment	22,991	-	-	22,991
Office Equipment	76,699	-	-	76,699
Computer Equipment	31,715	6,619	-	38,334
	<u>5,853,759</u>	<u>6,619</u>	<u>(34,885)</u>	<u>5,825,493</u>
<b>Social Housing Fund</b>				
Buildings and Equipment	<u>1,146,538</u>	<u>1,241</u>	<u>-</u>	<u>1,147,779</u>
	<u><u>\$ 7,000,297</u></u>	<u><u>\$ 7,860</u></u>	<u><u>\$ (34,885)</u></u>	<u><u>\$ 6,973,272</u></u>
	Accumulated Amortization	Amortization	Dispositions/ Transfers	Accumulated Amortization
<b>Operating Fund</b>				
Band Housing	\$ 480,398	\$ 70,325	\$ -	\$ 550,723
Multi Purpose Building and Longhouse	96,036	4,699	-	100,735
Portables	56,556	6,622	-	63,178
Drainage Improvements	173,726	16,352	-	190,078
Water Mains and Road Upgrades	113,428	33,876	-	147,304
Infrastructure	159,928	22,800	-	182,728
Sewer Systems	203,574	12,739	-	216,313
Foreshore Project	61,816	4,239	-	66,055
General Equipment	88,521	6,001	-	94,522
Marine Equipment	28,893	-	28,893	-
Vehicle Equipment	13,416	2,873	-	16,289
Office Equipment	69,448	2,189	-	71,637
Computer Equipment	31,715	1,820	-	33,535
	<u>1,577,455</u>	<u>184,535</u>	<u>-</u>	<u>1,733,097</u>
<b>Social Housing Fund</b>				
Buildings and Equipment	<u>480,033</u>	<u>33,356</u>	<u>-</u>	<u>513,389</u>
	<u><u>\$ 2,057,488</u></u>	<u><u>\$ 217,891</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,246,486</u></u>
Net Book Value	<u><u>\$ 4,942,809</u></u>			<u><u>\$ 4,726,786</u></u>

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Chartered Professional Accountants

**TSEYCUM FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2016**

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

Interest included in cost of additions in the year ended March 31, 2016 totaled \$nil (2015 - \$nil). All tangible capital assets were amortized in the year.

**11. EXPENDITURES BY OBJECT**

	Budget	2016	2015
<b>Operating fund</b>			
Advertising and donations	\$ -	\$ -	\$ 200
Bad expenses	- -	20,434	12,968
Basic needs	207,429	224,511	254,387
Bank charges and interest	6,600	4,316	3,396
Bereavement	4,000	6,330	3,848
Contract - general	205,212	209,570	104,500
Equipment lease	3,000	4,104	3,598
Honoraria	102,896	102,895	101,050
Insurance	13,304	11,665	13,782
Materials and supplies	34,925	27,336	27,616
Meetings	55,526	30,114	18,870
Membership pay-out	5,900	5,900	1,800
Mortgage interest	12,671	12,604	12,602
Office licenses and dues	- -	- -	11,464
Professional fees	36,400	35,549	43,000
Programs	258,817	295,123	210,102
Repairs and maintenance	49,468	108,179	73,389
Training	1,610	2,627	6,983
Travel	35,843	32,786	15,369
Telephone	27,812	21,976	21,892
Utilities	30,860	28,216	21,145
Wages and benefits	386,439	404,497	295,739
Cost allocations	<u>32,659</u>	<u>91,510</u>	<u>16,369</u>
	<u><b>\$ 1,511,371</b></u>	<u><b>\$ 1,680,242</b></u>	<u><b>\$ 1,274,069</b></u>
<b>General Capital fund</b>			
Cost Allocations	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 44,367</u>

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# TSEYCUM FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 11. EXPENDITURES BY OBJECT Cont'd

	Budget	2016	2015
<b>Social Housing</b>			
Contract – general	\$ 13,186	\$ 13,186	\$ 7,797
Insurance	8,753	8,753	8,753
Materials and supplies	9,816	9,816	1,532
Mortgage interest	63,193	63,426	63,126
Professional fees	3,000	3,000	3,000
Replacement Reserve	-	13,556	13,556
Repairs and maintenance	938	938	639
Utilities	32,876	32,875	37,887
Cost allocations	<u>(44,950)</u>	<u>(58,506)</u>	<u>(57,269)</u>
	<u>\$ 86,812</u>	<u>\$ 87,044</u>	<u>\$ 79,036</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 \$20,064 (2015 - \$11,446).

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, 2016 are \$73,784 \$49,917 and \$27,560 (2015 - \$157,332). 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, 2016

#### **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.