

Consolidated Financial Statements of

BONAPARTE INDIAN BAND

Year ended March 31, 2016

BONAPARTE INDIAN BAND

Consolidated Financial Statements

Year ended March 31, 2016

Financial Statements

Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditors' Report	2
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Bonaparte Indian Band ("BIB") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

BIB's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Chief and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by BIB. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on BIB's consolidated financial statements.



Chief

Interim Director of Operations



KPMG LLP
200-206 Seymour Street
Kamloops V2C 6P5
Canada
Tel 250-372-5581
Fax 250-828-2928

INDEPENDENT AUDITORS' REPORT

To the Members of Bonaparte Indian Band

We have audited the accompanying consolidated financial statements of Bonaparte Indian Band ("BIB"), which comprise the consolidated statement of financial position as at March 31, 2016, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising 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 our judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the BIB'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 BIB'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 audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of BIB as at March 31, 2016, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of BIB as at and for the year ended March 31, 2015 were audited by another auditor who expressed an unqualified opinion on those statements on July 20, 2015.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, stylized font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Kamloops, Canada
April 27, 2017

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

KPMG Confidential

BONAPARTE INDIAN BAND

Consolidated Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015 (Recasted - note 19)
Financial assets:		
Cash and cash equivalents (note 2)	\$ 2,400,439	\$ 1,750,045
Funded reserves (note 3)	144,348	82,870
Ottawa Trust Funds (note 4)	574,814	561,080
Accounts receivable (note 5)	215,100	196,208
Advances to related entities (note 6)	10,231	-
Due from replacement reserves	1,960	-
Investments (note 7)	104,321	104,321
Investment in government business enterprise (note 8)	14,759	-
Investment in partnership (note 9)	100	-
	3,466,072	2,694,524
Liabilities:		
Accounts payable and accrued liabilities	612,025	573,008
Deferred revenue (note 10)	249,853	67,505
Due to replacement reserves	-	41,321
Debt (note 11)	1,263,636	1,285,930
	2,125,514	1,967,764
Net financial assets	1,340,558	726,760
Non-financial assets:		
Tangible capital assets (note 12)	8,541,816	9,045,862
Prepaid expenses	60,575	64,457
	8,602,391	9,110,319
Accumulated surplus (note 13)	\$ 9,942,949	\$ 9,837,079
Economic dependence (note 14)		
Contingencies (note 15)		
Subsequent event (notes 7 and 11)		

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

Approved:

Chief

Councillor

BONAPARTE INDIAN BAND

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2016, with comparative information for 2015

	Budget (note 1(h))	2016	2015 (Recasted - note 19)
Revenue:			
Indigenous and Northern Affairs Canada	\$ 1,062,247	\$ 1,419,008	\$ 1,962,213
Indigenous and Northern Affairs Canada recoveries	-	(324,431)	(66,908)
First Nations Health Authority	393,546	464,127	431,659
Canada Mortgage and Housing Corporation	-	36,125	42,382
Province of BC revenue	43,405	43,488	43,405
Administration revenue	-	10,278	-
Interest income	1,805	12,756	4,962
Government business enterprise income (note 8)	-	14,758	-
Other income	1,491,362	1,875,563	2,161,061
Ottawa Trust Funds distributions	-	13,734	15,361
Rental revenue	-	114,840	119,218
Total revenue	2,992,365	3,680,246	4,713,353
Expenses:			
Administration	770,590	1,088,372	1,044,417
Amortization - BIB capital	-	470,057	297,599
Capital fund	-	-	62,691
Community welfare	802,757	899,954	977,247
Education	364,652	429,194	498,922
Natural resources and economic development	341,835	290,927	313,173
Operations and maintenance	311,633	276,947	344,036
Social housing	181,624	118,925	130,460
Total expenses	2,773,091	3,574,376	3,668,545
Annual surplus	219,274	105,870	1,044,808
Accumulated surplus, beginning of year	9,837,079	9,837,079	8,792,271
Accumulated surplus, end of year	\$ 10,056,353	\$ 9,942,949	\$ 9,837,079

Segmented information (note 16)

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

BONAPARTE INDIAN BAND

Consolidated Statement of Change in Net Financial Assets

Year ended March 31, 2016, with comparative information for 2015

	Budget (note 1(h))	2016	2015 (Recasted - note 19)
Annual surplus	\$ 219,274	\$ 105,870	\$ 1,044,808
Acquisition of tangible capital assets	(2,000)	(26,900)	(124,956)
Amortization of tangible capital assets	-	530,946	369,823
	(2,000)	504,046	244,867
Usage of prepaid expenses, net of acquisitions	-	3,882	(9,028)
Change in net financial assets	217,274	613,798	1,280,647
Net financial assets (debt), beginning of year	726,760	726,760	(553,887)
Net financial assets, end of year	\$ 944,034	\$ 1,340,558	\$ 726,760

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

BONAPARTE INDIAN BAND

Consolidated Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015 (Recasted - note 19)
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 105,870	\$ 1,044,808
Items not involving cash:		
Amortization of tangible capital assets	530,946	369,823
Equity in income of government business enterprise	(14,758)	-
Change in non-cash assets and liabilities:		
Accounts receivable	(18,892)	113,908
Replacement reserve liability	(43,281)	(33,875)
Accounts payable and accrued liabilities	39,017	(94,528)
Deferred revenue	182,348	(242,570)
Prepaid expenses	3,882	(9,020)
Net change in cash from operating activities	785,132	1,148,546
Capital activities:		
Acquisition of tangible capital assets	(26,900)	(124,956)
Net change in cash used in capital activities	(26,900)	(124,956)
Investing activities:		
Purchase of investments	-	(1,022)
Advances to related entities	(10,332)	-
Net change in cash used in investing activities	(10,332)	(1,022)
Financing activities:		
Proceeds from line of credit	100,000	-
Repayment on debt	(122,294)	(130,970)
Advances from related entities	-	705
Net change in cash used in financing activities	(22,294)	(130,265)
Net change in cash and cash equivalents	725,606	892,303
Cash and cash equivalents, beginning of year	2,393,995	1,501,692
Cash and cash equivalents, end of year	\$ 3,119,601	\$ 2,393,995
Represented by:		
Cash and cash equivalents	\$ 2,400,439	\$ 1,750,045
Funded reserves	144,348	82,870
Ottawa trust funds	574,814	561,080
	\$ 3,119,601	\$ 2,393,995

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

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements

Year ended March 31, 2016

Bonaparte Indian Band ("BIB") is a First Nations village government operating in Cache Creek, British Columbia. BIB is responsible for the well-being of its community and the enactment of legal policies and programs in the areas of capital, education, membership, health, and social and economic development.

1. Basis of presentation and significant accounting policies:

These consolidated financial statements reflect the assets, liabilities and results of operations of BIB and all related entities and organizations subject to control by BIB. These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada, which encompass the following principles:

(a) Basis of consolidation:

(i) Consolidated entities:

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise or government business partnership. The reporting entity is comprised of all related entities and organizations subject to control by BIB. Organizations consolidated in these financial statements include:

- Bonaparte Indian Band
- Bonaparte Social Housing

Inter-departmental and inter-organizational transactions and balances between these entities have been eliminated.

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

1. Basis of presentation and significant accounting policies (continued):

(a) Basis of consolidation (continued):

(ii) Investment in government business enterprise:

BIB's investment in 1049280 B.C. Ltd. (the "Corporation"), which includes its pro-rated portion of its investment in the Bonaparte Sales Limited Partnership, is accounted for on a modified equity basis. Under the modified equity basis, the Corporation's accounting policies are not adjusted to conform with those of BIB and inter-organizational transactions and balances are not eliminated. BIB recognizes its equity interest in the annual income or loss of the Corporation in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends that BIB may receive from the Corporation will be reflected as reductions in the investment asset account.

(iii) Investment in partnership:

BIB's investment in the Bonaparte Sales Limited Partnership (the "Partnership") is accounted for on a modified equity basis.

Under the modified equity basis, the Partnership's accounting policies are not adjusted to conform with those of BIB and inter-organizational transactions and balances are not eliminated. BIB recognizes its equity interest in the annual income or loss of the Partnership in its consolidated statement of operations and accumulated surplus, less cash advances or cash disbursements, with a corresponding increase or decrease in its investment asset account.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term, highly liquid investments with a term to maturity of 90 days or less and readily convertible to cash.

(c) Investments:

Investments in entities that BIB does not control individually or jointly are recorded at cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to its net realizable value.

(d) Deferred revenue:

Deferred revenue represents grants and other fees which have been collected, but for which the related expenses or services have yet to be incurred or performed. These amounts will be recognized as revenues in the fiscal year in which the services are performed or related expenses incurred.

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

1. Basis of presentation and significant accounting policies (continued):

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible capital assets are recorded at fair value at the time of the donation with a corresponding amount recorded as revenue. Expenses for repairs and maintenance that do not materially add to the useful life or service potential of the asset are not capitalized, but expensed as incurred.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized over their estimated useful lives as follows:

Asset	Basis	Rate
Automotive	Straight-line	5 years
Buildings	Straight-line	20 years
Furniture and equipment	Straight-line	5 years
Infrastructure	Straight-line	50 years
Social housing - buildings	Straight-line	20 years
Social housing - furniture and equipment	Straight-line	5 years

Assets under construction are not amortized until the asset is available for productive use. When a tangible capital asset no longer contributes to BIB's ability to provide services, its carrying amount is written down to its recoverable amount.

All intangibles and items inherited by right of BIB, such as land, forests, water, and mineral resources, that have not been purchased, are not recognized in these consolidated financial statements.

Contributed tangible capital assets are recognized at fair market value at the date of contribution. Where an estimate of fair value cannot be made, the tangible capital asset is recognized at a nominal value.

(ii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets, including artifacts, paintings and sculptures, are not recorded as assets in these consolidated financial statements.

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

1. Basis of presentation and significant accounting policies (continued):

(f) Revenue recognition:

Revenue is recognized on the accrual basis as it is earned, or as services are provided, and is measurable and becomes receivable under the terms of the applicable funding agreements.

Government transfers are recognized as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria is met, and reasonable estimates of the amounts can be made, unless the transfer contains stipulations that create a liability in which case the transfers are recognized as revenue in the period that the liability is extinguished.

Contract revenues are recorded on an accrual basis and are recognized when the service has been provided.

Grants and donations are recognized as revenue when received or receivable if amounts can be reasonably estimated and collection is reasonably assured.

Interest and investment income is reported as revenue in the period earned.

Rental income is recorded on an accrual basis and is recognized when a tenant commences occupancy, the amounts to be received can be reasonably estimated and collection is reasonably assured.

Other income is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(g) Use of estimates:

The preparation of financial statements requires management 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 financial statements, and the reported amounts of revenues and expenses during the period. The recoverable amount of accounts receivable and the recoverable amount and estimated useful lives of tangible capital assets are significant items subject to such estimates and assumptions. Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are adjusted prospectively.

(h) Budget:

Budget information for individual programs has been included in the consolidated financial statements when the information is available and represents the 2015/2016 operating and capital budgets approved by Chief and Council on July 20, 2015.

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

1. Basis of presentation and significant accounting policies (continued):

(i) Funded reserves:

In order to provide for replacement of major tangible capital assets, the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC") provide that a Replacement Reserve Fund be established by annual charges to operations in an amount prescribed by the agreement. Interest is to accrue on the cumulative reserve balance. In addition, under the terms of the agreement for the 2% Subsidy Program, BIB may retain, in a Subsidy Surplus Reserve, excess federal assistance payments up to a maximum of \$500 per unit plus interest, and under the terms of the agreement for the Full Subsidy Program, BIB may retain in an Operating Reserve all excess federal assistance, plus interest.

(j) Employee future benefits:

BIB contributes to a private defined contribution pension plan. Contributions are expensed as incurred.

(k) Segmented disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of BIB. BIB identifies its segments based on specific projects and funding arrangements. Revenue and expenses are allocated to these segments according to the method of identification.

2. Cash and cash equivalents:

	2016	2015
General operating account	\$ (52,647)	\$ 200,663
Forestry Contributions and Revenue Sharing Agreement account	415,439	357,702
Construction operations account	26,442	26,442
Forestry operations account	1,973,021	1,128,678
Wastech general account	652	652
Youth programs general account	23,621	18,235
Bonaparte Social Housing general account	13,911	17,673
	<u>\$ 2,400,439</u>	<u>\$ 1,750,045</u>

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

3. Funded reserves:

Funded reserves consist of the following:

(a) Operating Surplus Reserve

Under the terms of the agreements with CMHC in the Full Subsidy Program, excess federal assistance payments received may be retained in an Operating Surplus Reserve. The funds in this account may only be used to meet future subsidy requirements of the program over and above the maximum federal assistance and the minimum revenue contribution. Withdrawals are charged to interest first and then principal. As at March 31, 2016, the operating reserve fund balance was \$nil (2015 - \$nil).

(b) Replacement Reserve

Under the terms of the agreement with CMHC, the Replacement Reserve account was credited during the year ended March 31, 2016, in the amount of \$18,339 (2015 - \$19,672). The funds in the account may only be used as approved by CMHC.

The Replacement Reserve, as reported in the consolidated statement of financial position, consists of:

	2016	2015
Restricted cash - replacement reserve	\$ 144,348	\$ 82,870
Monies to be deposited (withdrawn) subsequent to year-end	(1,960)	41,321
Total replacement reserve funds	\$ 142,388	\$ 124,191

As at March 31, 2016, total funded reserves are \$144,348 (2015 - \$82,870).

4. Ottawa Trust Funds:

Indigenous and Northern Affairs Canada ("INAC") holds certain funds in trust for BIB. These funds are designated as revenue or capital funds 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. Subject to approval by the Minister of Indigenous and Northern Affairs, BIB is permitted to expend its revenue funds for any purpose that will promote the general progress and welfare of BIB and BIB members. The expense of capital funds requires the consent of the Minister of Indigenous and Northern Affairs and such expense generally must be for projects of a capital nature.

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

5. Accounts receivable:

	INAC	CMHC	Rents receivable	Other	2016	2015 (Recasted - note 19)
Accounts receivable	\$ 35,612	\$ 3,010	\$ 1,039,709	\$ 255,558	\$ 1,333,889	\$ 1,034,275
Allowance for doubtful accounts	-	-	(1,039,709)	(79,080)	(1,118,789)	(838,067)
	\$ 35,612	\$ 3,010	\$ -	\$ 176,478	\$ 215,100	\$ 196,208

6. Advances to related entities:

The amounts advanced to (from) related entities are non-interest bearing, unsecured and have no specified terms of repayment.

	2016	2015
1049280 B.C. Ltd.	\$ 10,331	\$ -
Bonaparte Sales Limited Partnership	(100)	-
	\$ 10,231	\$ -

7. Investments:

In accordance with the Royal Bank of Canada ("RBC") security agreement, BIB must maintain a \$100,000 guaranteed investment certificate as a cash collateral for its RBC credit facilities (note - 11). The additional investment amounts represent the interest earned and paid at the time of each renewal of the guaranteed investment certificate interest which has been incorporated into each subsequent renewal of the initial \$100,000 investment. As at March 31, 2016, the total investments are \$104,321 (2015 - \$104,321).

Subsequent to year-end, the cash collateral agreement for a guaranteed investment certificate in the amount of \$100,000 was released as a condition of a revised credit facility (note 11).

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

8. Investment in government business enterprise:

BIB holds 100% ownership over 1049280 B.C. Ltd. (the "Corporation"). As at March 31, 2016, the assets, liabilities, equity, and net income of the Corporation, are as follows:

	2016	2015
Assets:		
Accounts receivable	\$ 26,090	\$ -
Total assets	\$ 26,090	\$ -
Liabilities and equity:		
Accounts payable and accrued liabilities	\$ 1,000	\$ -
Advances from BIB	10,331	-
Total liabilities	11,331	-
Share capital	1	-
Retained earnings	14,758	-
Total equity	14,759	-
Total liabilities and equity	\$ 26,090	\$ -
	2016	2015
Net income		
Revenue	\$ 97,290	\$ -
Expenses	82,532	-
Net income	\$ 14,758	\$ -

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

9. Investment in partnerships:

The Corporation and BIB have an investment in Bonaparte Sales Limited Partnership ("BSLP"). The Corporation is the general partner and owns 0.001% of BSLP, while the limited partner, BIB, owns 99.999% of BSLP.

As at March 31, 2016, the assets, liabilities, equity, and net income of BSLP, are as follows:

	2016	2015
Total assets	\$ 100	\$ -
Total liabilities and partners' equity	\$ 100	\$ -
Net income		
Revenue	\$ -	\$ -
Expenses	-	-
Net income	\$ -	\$ -

As at March 31, 2016, BIB investment in BSLP is comprised of \$100 (2015 - \$nil).

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

10. Deferred revenue:

Deferred revenue is comprised of funds for the following programs or purposes:

	2015 Deferred Revenue	Prior Year Reimbursement (Recovery)/ Transfers	Funding Received	Revenue Recognized	2016 Deferred Revenue
INAC contributions:					
Education support services	\$ -	\$ -	\$ 5,525	\$ (848)	\$ 4,677
Family violence	-	-	4,360	(4,039)	321
IR 3 water systems - CPMS #7322	54,005	(54,005)	35,612	(19,411)	16,201
Major renovations - CPMS #10922	-	-	123,146	-	123,146
New approach to housing Funds - CPMS #11795	-	-	25,000	(7,232)	17,768
Post secondary	-	-	354,584	(348,399)	6,185
	54,005	(54,005)	548,227	(379,929)	168,298
Other contributions:					
First Nations Health Authority - Health planning and management	-	-	146,479	(65,424)	81,055
Other unearned revenue	13,500	-	-	(13,000)	500
	13,500	-	146,479	(78,424)	81,555
	\$ 67,505	\$ (54,005)	\$ 694,706	\$ (458,353)	\$ 249,853

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

11. Debt:

	2016	2015
Social Housing:		
All Nations Trust Company ("ANTCO"), mortgages, repayable in monthly instalments ranging from \$1,100 - \$2,475, including interest at 1.64% per annum, secured by INAC guarantees for 100% of loan amounts outstanding and related real properties (NBV 2016 - \$490,769), maturing February 2017	\$ 299,238	\$ 336,895
RBC, mortgage, repayable in monthly instalments of \$2,865, including interest at 2.88% per annum, secured by INAC guarantees for 100% of loan amounts outstanding and related real properties (NBV 2016 - \$326,902), maturing July 2019	374,350	397,581
BIB Term Loans and Other:		
RBC, term loan, repayable in monthly instalments of \$5,783, including interest at 3.00% per annum, secured as described below, maturing April 2016	395,127	451,703
RBC, demand loan, repayable in monthly instalments of \$683, including interest at 3.74% per annum, secured as described below, maturing June 2016	94,921	99,751
RBC, line of credit, no specified terms of repayment, interest at financial institution's prime rate plus 1.00% per annum (2016 - 3.70%, in aggregate), secured as described below	100,000	-
	\$ 1,263,636	\$ 1,285,930

Scheduled principal repayments due in the next five years and thereafter are approximately as follows:

2017	\$ 488,213
2018	365,079
2019	30,848
2020	306,158
2021	5,786
Thereafter	67,552
	\$ 1,263,636

Total interest paid on debt for the year was \$36,792 (2015 - \$39,335).

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

11. Debt (continued):

The RBC facilities include a line of credit up to \$100,000 (2015 - \$100,000), which bears interest at the financial institution's prime rate plus 1.00% per annum (March 31, 2016 - 3.70%, in aggregate), as well as term and demand loans up to \$600,000 (2015 - \$600,000), which bears interest between 3.00% - 3.74% per annum.

The RBC line of credit, demand and term loans are secured by a general security agreement constituting a first ranking security interest in all personal property of BIB as well as a cash collateral agreement for a guaranteed investment certificate in the amount of \$100,000.

Subsequent to year-end, BIB renewed the RBC term and demand loans. The revised terms of the RBC term loan result in monthly instalments of \$5,915 including interest at 2.92% per annum, maturing April 30, 2017. The revised terms of the RBC demand loan result in monthly instalments of \$621 including interest at 2.34% per annum, maturing June 1, 2021. Furthermore, the cash collateral agreement for a guaranteed investment certificate in the amount of \$100,000 was released as a condition of the revised credit facility.

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

12. Tangible capital assets:

Cost	2015	Additions	Disposals/ Transfers	2016
BIB capital:				
Land	\$ 643,599	\$ -	\$ -	\$ 643,599
Automotive	280,136	16,900	-	297,036
Buildings	5,964,169	-	-	5,964,169
Furniture and equipment	399,544	10,000	-	409,544
Infrastructure	3,620,344	-	-	3,620,344
Total BIB capital	10,907,792	26,900	-	10,934,692
Social housing operations:				
Land	89,790	-	-	89,790
Buildings	1,577,053	-	-	1,577,053
Furniture and equipment	17,502	-	-	17,502
Total Social housing operations	1,684,345	-	-	1,684,345
Total	\$ 12,592,137	\$ 26,900	\$ -	\$ 12,619,037
Accumulated amortization	2015	Amortization	Disposals	2016
BIB capital:				
Automotive	\$ 228,037	\$ 29,449	\$ -	\$ 257,486
Buildings	2,083,557	287,292	-	2,370,849
Furniture and equipment	283,002	80,909	-	363,911
Infrastructure	145,893	72,407	-	218,300
Total BIB capital	2,740,489	470,057	-	3,210,546
Social housing operations:				
Buildings	805,786	60,889	-	866,675
Total Social housing operations	805,786	60,889	-	866,675
Total	\$ 3,546,275	\$ 530,946	\$ -	\$ 4,077,221

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

12. Tangible capital assets (continued):

Net book value	2015		2016	
BIB capital:				
Land	\$	643,599	\$	643,599
Automotive		52,099		39,550
Buildings		3,880,612		3,593,320
Furniture and equipment		116,542		45,633
Infrastructure		3,474,451		3,402,044
Total BIB capital		8,167,303		7,724,146
Social housing operations:				
Land		89,790		89,790
Buildings		771,267		710,378
Furniture and equipment		17,502		17,502
Total Social housing operations		878,559		817,670
Total	\$	9,045,862	\$	8,541,816
Cost	Balance at March 31, 2014	Additions	Disposals/ Transfers	Balance at March 31, 2015
BIB capital:				
Land	\$ 583,739	\$ -	\$ 59,860	\$ 643,599
Automotive	251,902	28,234	-	280,136
Buildings	5,657,881	-	306,288	5,964,169
Furniture and equipment	390,509	-	9,035	399,544
Infrastructure	1,843,853	96,722	1,679,769	3,620,344
Infrastructure under construction	1,679,769	-	(1,679,769)	-
Total BIB capital	10,407,653	124,956	375,183	10,907,792
Social housing operations:				
Land	149,650	-	(59,860)	89,790
Buildings	1,883,341	-	(306,288)	1,577,053
Furniture and equipment	26,537	-	(9,035)	17,502
Total Social housing operations	2,059,528	-	(375,183)	1,684,345
Total	\$ 12,467,181	\$ 124,956	\$ -	\$ 12,592,137

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

12. Tangible capital assets (continued):

Accumulated amortization	Balance at March 31, 2014	Amortization expense	Amortization on disposals	Balance at March 31, 2015
BIB capital:				
Automotive	\$ 215,012	\$ 13,025	\$ -	\$ 228,037
Buildings	1,597,321	184,346	301,890	2,083,557
Furniture and equipment	254,913	28,089	-	283,002
Infrastructure	73,754	72,139	-	145,893
Total BIB capital	2,141,000	297,599	301,890	2,740,489
Social housing operations:				
Buildings	1,035,452	72,224	(301,890)	805,786
Total Social housing operations	1,035,452	72,224	(301,890)	805,786
Total	\$ 3,176,452	\$ 369,823	\$ -	\$ 3,546,275
Net book value				
	Balance at March 31, 2014			Balance at March 31, 2015
BIB capital:				
Land	\$ 583,739			\$ 643,599
Automotive	36,890			52,099
Buildings	4,060,560			3,880,612
Furniture and equipment	135,596			116,542
Infrastructure	1,770,099			3,474,451
Infrastructure under construction	1,679,769			-
Total BIB capital	8,266,653			8,167,303
Social housing operations:				
Land	149,650			89,790
Buildings	847,889			771,267
Furniture and equipment	26,537			17,502
Total Social housing operations	1,024,076			878,559
Total	\$ 9,290,729			\$ 9,045,862

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

12. Tangible capital assets (continued):

a) Assets under construction

Assets under construction are not amortized. Amortization of these assets will commence when the asset is put into service. The value of tangible capital assets under construction during the year is \$nil (2015 - \$nil).

b) Contributed tangible capital assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed tangible capital assets received during the year is \$nil (2015 - \$nil). Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value.

13. Accumulated surplus:

Accumulated surplus consists of individual fund surpluses and reserves as follows:

	2016	2015 (Recasted - note 19)
Funded reserves (note 3)	\$ 144,348	\$ 82,870
Ottawa Trust Funds	574,814	561,080
Investment in government business enterprise (note 8)	14,758	-
Investment in tangible capital assets	7,378,180	7,759,932
	8,112,100	8,403,882
Accumulated operating surplus	1,830,849	1,433,197
	\$ 9,942,949	\$ 9,837,079

14. Economic dependence:

BIB receives a major portion of its revenue pursuant to a funding arrangement with INAC. Any disruption in this funding could have a negative effect on BIB's operations.

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

15. Contingencies:

(a) Ministerial guarantees:

As at March 31, 2016, BIB is contingently liable for ministerial guarantees provided to individual BIB members for loans made by various financial institutions totaling \$135,140 (2015 - \$146,333) for purposes of acquiring on-reserve housing. In the event that BIB members default on their obligations under these loans, BIB would be required to pay the outstanding loan balance to the lenders. BIB's guarantee is secured by the related real properties. All loans are in good standing as at March 31, 2016.

(b) Claims relating to a former employee:

During the year ended March 31, 2016, BIB dismissed a former management employee as a result of BIB identifying alleged theft of BIB cash over the course of the individual's employment with BIB. BIB investigated the matter and it was determined that there was a quantified loss of \$103,200 for the current fiscal year and \$15,100 for the prior fiscal year, for a total loss of \$118,300. Subsequent to year end, BIB filed an insurance claim for the losses and recovered \$100,000.

(c) Litigation and claims:

From time to time BIB is brought forth in legal disputes. BIB reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim would materially affect the financial statements of BIB. BIB is currently not aware of any claims brought against it that if not defended successfully would result in a material change to the financial statements.

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

16. Segmented information:

Segmented information has been identified based upon lines of service provided by BIB. BIB services are provided by departments and their activities are reported by functional area in the consolidated statement of operations and accumulated surplus. Certain lines of service that have been separately disclosed in the segmented information, along with a description of the services, are as follows:

(a) Administration:

Administration provides the functions of corporate administration, governance, membership and any other functions not categorized to a specific department.

(b) Amortization:

Amortization manages the BIB equity in tangible capital assets.

(c) Capital fund:

Capital fund manages all funds received from INAC pertaining to construction, renovations and capital maintenance programs that services the needs of the BIB members.

(d) Community welfare:

Community offers a broad range of services to BIB members, including income assistance, elders programs, youth programs, counselling and/or referrals (individuals and families), parenting programs, community health representatives, and recreational programming.

(e) Education:

Education is responsible for administering and facilitating educational programs through operations of an on-reserve school, post secondary education support, and the operations of various other community education programs.

(f) Natural resources and economic development:

Natural resources and economic development provides services related to the development of economic opportunities to BIB members, along with the exploration of the development of natural resource revenues.

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

16. Segmented information (continued):

(g) Operations and maintenance:

Operations and maintenance provides services related to the development, maintenance and service of BIB's assets, infrastructure and common property.

(h) Social housing:

Social housing administers services to provide social housing to BIB members.

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

16. Segmented information (continued):

2016	Administration	Amortization	Capital fund	Community welfare	Education	Natural resources and economic development	Operations and maintenance	Social housing	Total
Revenues:									
Indigenous and Northern Affairs Canada	\$ 519,600	\$ -	\$ -	\$ 371,260	\$ 359,637	\$ 48,404	\$ 120,107	\$ -	\$ 1,419,008
Indigenous and Northern Affairs Canada recoveries	(78,134)	-	(17,525)	(228,772)	-	-	-	-	(324,431)
First Nations Health Authority	-	-	-	484,127	-	-	-	-	484,127
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	36,125	36,125
Province of British Columbia	-	-	-	43,488	-	-	-	-	43,488
Administration revenues (recovery)	(4,500)	-	-	-	-	14,778	-	-	10,278
Interest income	12,756	-	-	-	-	-	-	-	12,756
Government business enterprise income (note 8)	14,758	-	-	-	-	-	-	-	14,758
Other income	1,503,218	-	-	25,376	13,848	331,848	1,273	-	1,875,563
Ottawa Trust Funds distributions	13,734	-	-	-	-	-	-	-	13,734
Rental revenue	-	-	-	-	-	-	18,000	96,840	114,840
Total revenues	1,981,432	-	(17,525)	675,479	373,485	395,030	139,380	132,965	3,680,246
Expenses:									
Salaries, wages and employee benefits	421,167	-	-	368,214	69,800	231,895	134,902	-	1,225,978
Operating expenses	564,005	-	-	531,740	359,394	59,032	142,045	58,036	1,714,252
Amortization	-	470,057	-	-	-	-	-	60,889	530,946
Quantified loss from theft (note 15(b))	103,200	-	-	-	-	-	-	-	103,200
Total expenses	1,088,372	470,057	-	899,954	429,194	290,927	276,947	118,925	3,574,376
Annual surplus (deficit)	\$ 893,060	\$ (470,057)	\$ (17,525)	\$ (224,475)	\$ (55,709)	\$ 104,103	\$ (137,567)	\$ 14,040	\$ 105,870

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

16. Segmented information (continued):

2015 (Recasted - note 19)	Administration	Amortization	Capital fund	Community welfare	Education	Natural resources and economic development	Operations and maintenance	Social housing	Total
Revenues:									
Indigenous and Northern Affairs Canada	\$ 493,240	\$ -	\$ 37,848	\$ 721,093	\$ 359,368	\$ 48,403	\$ 302,261	\$ -	\$ 1,962,213
Indigenous and Northern Affairs Canada recoveries		-	-	(52,984)	-	-	(13,924)	-	(66,908)
First Nations Health Authority		-	-	431,659	-	-	-	-	431,659
Canada Mortgage and Housing Corporation		-	-	-	-	-	-	42,382	42,382
Province of British Columbia		-	-	43,405	-	-	-	-	43,405
Interest income	4,962	-	-	-	-	-	-	-	4,962
Other income	1,852,656	-	-	25,756	83,059	196,235	3,355	-	2,161,061
Ottawa Trust Funds distributions	15,361	-	-	-	-	-	-	-	15,361
Rental revenue		-	-	-	-	-	900	118,318	119,218
Total revenues	2,366,219	-	37,848	1,168,929	442,427	244,638	292,592	160,700	4,713,353
Expenses:									
Salaries, wages and employee benefits	346,255	-	-	402,601	105,040	235,833	132,982	-	1,222,711
Operating expenses	683,062	-	62,691	574,646	393,882	77,340	211,054	58,236	2,060,911
Amortization		297,599	-	-	-	-	-	72,224	369,823
Quantified loss from theft (note 15(b))	15,100	-	-	-	-	-	-	-	15,100
Total expenses	1,044,417	297,599	62,691	977,247	498,922	313,173	344,036	130,460	3,668,545
Annual surplus (deficit)	\$ 1,321,802	\$ (297,599)	\$ (24,843)	\$ 191,682	\$ (56,495)	\$ (68,535)	\$ (51,444)	\$ 30,240	1,044,808

BONAPARTE INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2016

17. Employee future benefits:

BIB provides a defined contribution pension plan for eligible members of its employees. Effective as of February 1, 2016, new members are required to contribute 5.0% (2015 - nil) of their salary. BIB contributes 5.0% (2015 - 5.0%) and the contributions are directed to the member's contribution account. During the year, BIB contributed \$79,650 (2015 - \$61,524).

18. Comparative information:

Certain 2015 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.

19. Recasting of comparative information:

BIB made adjustments to the 2015 comparative figures to correct accounting errors as follows:

Accounts receivable were understated by \$29,830 as a result of BIB incorrectly recording certain revenues on a cash basis instead of on an accrual basis and other adjustments were the result of specific transactions not recorded in accordance with the agreement with CMHC.

	As previously stated	As recasted
Statement of Financial Position:		
Accounts receivable	\$ 166,378	\$ 196,208
Due to replacement reserves	-	41,321
Accumulated surplus	9,848,570	9,837,079
Statement of Operations:		
Other income	2,131,231	2,161,061
Social housing	186,796	130,460
Administration	1,275,056	1,225,747