

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**ANNUAL FINANCIAL REPORT**

**MARCH 31, 2016**

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# TSILHQOT'IN PEOPLE OF XENI



## Xeni Gwet'in First Nations Government

GENERAL DELIVERY, NEMIAH VALLEY

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### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Xeni Gwet'in First Nations Government are the responsibility of management and have been approved by the First Nations Government.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nations Government maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nations Government's assets are appropriately accounted for and adequately safeguarded.

The First Nations Government is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The First Nations Government reviews the financial statements and recommends their approval. The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the annual report, the financial statements and the external auditors' report. The Council takes this information into consideration when approving the financial statements for issuance to the Members. The Council also considers, for the approval of the Members, the engagement of the external auditors.

The financial statements have been audited by Tombe Herrington, Chartered Professional Accountants LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. Tombe Herrington, Chartered Professional Accountants LLP have full and free access to the Council of the First Nations Government.

Chief

A handwritten signature in black ink, appearing to read "Chief".

Band Manager

A handwritten signature in black ink, appearing to read "Band Manager".

# **TOMBE HERRINGTON** CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Member of Canadian Institute of Chartered Business Valuators  
Members of Chartered Professional Accountants of BC

Pat Tombe, CPA, CA  
Gordon Herrington, CPA, CA, CBV  
Diane Routhier, CPA, CA  
Incorporated Professionals

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Council and Members of Xeni Gwet'in First Nations Government**

We have audited the accompanying financial statements of Xeni Gwet'in First Nations Government, which comprise the statement of financial position as at March 31, 2016 and the statements of operations and accumulated surplus, changes in net financial assets, 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 financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Basis for Qualified Opinion**

As noted in Note 1 - Significant Accounting Policies regarding tangible capital assets, the Social Housing tangible capital assets are required by Canada Mortgage and Housing Corporation to be amortized at a rate equivalent to the annual principal reduction of the related long-term debt. This amortization policy is not in accordance with Canadian public sector accounting standards, which require that tangible capital assets be amortized over their estimated useful lives. The effect of this departure has not been determined on the net book value of tangible capital assets, the related amortization expense, annual surplus and equity in tangible capital assets.

#### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Xeni Gwet'in First Nations Government as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants LLP

Kamloops, British Columbia  
July 27, 2016



**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,360,351	\$ 1,430,249
Restricted cash (Note 3)	171,197	167,942
Accounts receivable (Note 4)	483,007	117,453
Long-term investments (Note 5)	3	3
	<b>2,014,558</b>	<b>1,715,647</b>
<b>LIABILITIES</b>		
Bank indebtedness	35,000	-
Accounts payable and accrued liabilities	254,907	161,059
Damage deposits payable	3,688	3,413
Long-term debt (Note 6)	1,099,264	1,167,538
Replacement reserve (Note 7)	97,350	83,350
Operating reserve (Note 8)	41,317	46,030
	<b>1,531,526</b>	<b>1,461,390</b>
<b>NET FINANCIAL ASSETS</b>	<b>483,032</b>	<b>254,257</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventory	23,678	25,681
Prepaid expenses	77,556	59,043
Tangible capital assets (Note 9)	5,093,033	5,466,006
	<b>5,194,267</b>	<b>5,550,730</b>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<b>\$ 5,677,299</b>	<b>\$ 5,804,987</b>

**ECONOMIC DEPENDENCE (Note 2)**

**CONTINGENT LIABILITIES (Note 11)**

APPROVED ON BEHALF OF THE MEMBERS:



Chief



Manager

**XENI GWET'IN FIRST NATIONS GOVERNMENT**  
**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	2016 Budget	2016 Actual	2015 Actual
<b>REVENUES</b>			
Aboriginal Affairs and Northern Development Canada (net of recoveries of \$83,432)	\$ 1,539,710	\$ 1,539,710	\$ 2,137,462
CMHC	59,327	59,327	59,327
Social housing	83,318	83,318	74,797
Xeni Gwet'in Enterprises	1,124,598	1,124,598	1,208,197
Eniyud Health Services	1,630,600	1,630,600	1,356,450
Other revenues	791,539	791,539	1,137,916
	<b>5,229,092</b>	<b>5,229,092</b>	<b>5,974,149</b>
<b>EXPENSES</b>			
Economic development	318,045	318,045	432,652
Education	372,025	372,025	326,703
Social development	465,615	465,615	543,285
Capital facilities and community	686,727	686,727	643,518
Social housing	83,192	142,645	134,124
Xeni Gwet'in Enterprises	1,108,914	1,121,846	1,276,214
Eniyud Health Services	823,178	869,833	1,077,220
Band support	1,050,037	1,383,300	1,152,712
	<b>4,907,733</b>	<b>5,360,036</b>	<b>5,586,428</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>321,359</b>	<b>(130,944)</b>	<b>387,721</b>
<b>ACCUMULATED SURPLUS, beginning of year</b>	<b>5,804,987</b>	<b>5,804,987</b>	<b>5,413,720</b>
<b>INTEREST EARNED ON OTTAWA TRUST FUNDS</b>	<b>3,256</b>	<b>3,256</b>	<b>3,546</b>
<b>ACCUMULATED SURPLUS, end of year</b>	<b>\$ 6,129,602</b>	<b>\$ 5,677,299</b>	<b>\$ 5,804,987</b>

**XENI GWET'IN FIRST NATIONS GOVERNMENT**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	2016 Budget	2016 Actual	2015 Actual
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (130,944)</b>	<b>\$ (130,944)</b>	<b>\$ 387,721</b>
Purchases of tangible capital assets	-	(79,330)	-
Amortization of tangible capital assets	-	452,303	421,957
Interest earned on Ottawa Trust funds	-	3,256	3,546
Consumption of inventory	-	2,003	32,425
Increase of prepaid expenses	-	(18,513)	(3,392)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>(130,944)</b>	<b>228,775</b>	<b>842,257</b>
<b>NET FINANCIAL ASSETS (NET DEBT), beginning of year</b>	<b>254,257</b>	<b>254,257</b>	<b>(588,000)</b>
<b>NET FINANCIAL ASSETS, end of year</b>	<b>\$ 123,313</b>	<b>\$ 483,032</b>	<b>\$ 254,257</b>

**XENI GWET'IN FIRST NATIONS GOVERNMENT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (130,944)	\$ 387,721
Adjustment for items not involving cash:		
Amortization of tangible capital assets	452,303	421,957
Increase in replacement reserve and operating reserves	9,287	11,989
Change in non-cash operating items	<u>(287,940)</u>	<u>118,018</u>
Cash flows from operating activities	42,706	939,685
<b>FINANCING ACTIVITY</b>		
Repayments of long-term debt	(68,274)	(72,662)
<b>CAPITAL ACTIVITY</b>		
Purchase of tangible capital assets	<u>(79,330)</u>	-
<b>INCREASE (DECREASE) IN CASH, during the year</b>	<b>(104,898)</b>	<b>867,023</b>
<b>CASH, beginning of year</b>	<b>1,430,249</b>	<b>563,226</b>
<b>Cash, end of year</b>	<b>\$ 1,325,351</b>	<b>\$ 1,430,249</b>
<b>COMPRISED OF:</b>		
Cash	\$ 1,360,351	\$ 1,430,249
Bank indebtedness	<u>(35,000)</u>	-
	<b>\$ 1,325,351</b>	<b>\$ 1,430,249</b>
 Cash paid during the year for interest	 \$ 18,593	 \$ 19,519

# XENI GWET'IN FIRST NATIONS GOVERNMENT

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements of the Xeni Gwet'in First Nations Government have been prepared in accordance with Canadian public sector accounting standards, as defined in the CPA Canada Public Sector Accounting Handbook, which encompasses the following principles:

#### a) Reporting Entity and Principles of Financial Reporting

The Xeni Gwet'in First Nations Government reporting entity includes the Xeni Gwet'in First Nations Government and all related entities which are accountable to the First Nations Government and are either owned or controlled by the First Nations Government.

#### b) Revenue Recognition

Government grants and transfers, which include Federal funding agreements, are recognized in the financial statements in the period in which events giving rise to the transfers occur, provided the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. When eligibility criteria is not met, transfers received are reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

Rental revenue is recognized when a tenant commences occupancy and rent is due. The First Nations Government retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

Periodic revenue is recognized on an accrual basis commencing at the beginning of the month.

#### c) Ottawa Trust Monies

Ottawa Trust monies are recorded using the accrual method of accounting for revenue earned in the Trust fund.

#### d) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

#### e) Tangible Capital Assets

Tangible capital assets, including property and infrastructure expenditures incurred after April 1, 1990, are initially recorded at acquisition cost. Expenditures incurred previous to April 1, 1990 are reflected at a nominal amount. Tangible capital assets are stated at cost less accumulated amortization. Costs include amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of the tangible capital assets are amortized over their estimated useful lives using the straight-line method at the following rates:

Office furniture and equipment	30%
Buildings	4%
Mobile home	4%
Band houses	4%
Infrastructure	4%
Other equipment	10%
Excavating equipment	30%
Automotive equipment	30%

Social Housing assets acquired under Canada Mortgage and Housing Corporation (CMHC) subsidized housing programs are amortized at a rate equivalent to the annual principal reduction in the related long-term debt, as required for CMHC reporting purposes.

#### f) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make assumptions and estimates that have an effect on 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 revenue and expenses during the year. Actual results could be different from those estimates.

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g) Financial Instruments**

The Xeni Gwet'in First Nations Government recognizes and measures financial assets and financial liabilities on the Statement of Financial Position when it becomes a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade date or settlement date basis. All financial instruments are measured at fair value on the initial recognition. Financial instruments are subsequently measured at amortized cost as the Xeni Gwet'in First Nations Government has not entered into any derivative contracts and it does not hold any investments in equity instruments quoted on the active market. Since no financial instruments are measured at fair value after the initial recognition, a Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

**2. ECONOMIC DEPENDENCE**

A significant portion of the First Nation's revenue is comprised of funding received from Aboriginal Affairs and Northern Development Canada (AANDC) and other government departments.

**3. RESTRICTED CASH**

	<b>2016</b>	<b>2015</b>
Social Housing replacement reserve - cash	\$ 31,668	\$ 31,668
Social Housing operating reserve - cash	27,929	27,929
Ottawa Trust Monies - cash	111,600	107,207
Ottawa Trust Monies - interest receivable	-	1,138
	<b>\$ 171,197</b>	<b>\$ 167,942</b>

The Ottawa Trust accounts 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. These funds are restricted in their use. The Xeni Gwet'in First Nations Government is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Band and Band members. The expenditures of the capital funds requires the consent of Aboriginal Affairs and Northern Development Canada and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

The Social Housing restricted cash is derived under the terms of the agreement with CMHC, the account is to be credited 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.

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**4. ACCOUNTS RECEIVABLE**

	<b>2016</b>	<b>2015</b>
Chief, councilors and band members	\$ 28,648	\$ 26,590
CCATEC	13,185	13,185
CMHC	4,944	4,944
First Nations Health Authority	336,000	6,000
GST rebate	16,060	37,874
Interior Roads	8,829	7,354
Other	115,757	64,364
<b>Social Housing rents receivable</b>	<b>10,015</b>	<b>7,573</b>
	533,438	167,884
<b>Less: allowance for doubtful accounts (includes \$15,462 for amounts from band members)</b>	<b>(50,431)</b>	<b>(50,431)</b>
	\$ 483,007	\$ 117,453

**5. LONG TERM INVESTMENTS**

	<b>2016</b>	<b>2015</b>
Cariboo Indian Enterprises Ltd. - shares, at cost (inactive)	\$ 1	\$ 1
Tsilhqot'in Economic Development Corp. - shares, at cost (inactive)	1	1
Tsilhqot'in Forest Products Inc. - shares, at cost (inactive)	1	1
	\$ 3	\$ 3

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**6. LONG TERM DEBT**

	2016	2015
All Nations Trust Company mortgage, repayable in monthly instalments of \$3,829 including interest at 1.65% per annum, renewal date June 2017	\$ 648,944	\$ 683,882
All Nations Trust Company mortgage, repayable in monthly instalments of \$2,675 including interest at 1.64% per annum, renewal date February 2017	449,549	474,064
CMHC RRAP loans, forgivable over next 60 months, interest (when payable) at a range of between 3.875% and 5.875% per annum, unsecured	771	9,592
	<b>\$ 1,099,264</b>	<b>\$ 1,167,538</b>

The Social Housing mortgages are secured by a ministerial guarantee from the federal government.

The principal portion of debt due over the next two years are as follows:

	Social Housing	CMHC RRAP Loans	Total
2017	\$ 485,057	\$ 771	\$ 485,828
2018	613,436	-	613,436
	<b>\$ 1,098,493</b>	<b>\$ 771</b>	<b>\$ 1,099,264</b>

**7. 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 \$14,000 (2015 - \$14,000) annually. Withdrawals are credited to interest first and then principal.

	2016	2015
Balance, beginning of year	\$ 83,350	\$ 71,447
Allocation as per budget	14,000	14,000
Purchases during the year	-	(2,097)
Balance, end of year	<b>\$ 97,350</b>	<b>\$ 83,350</b>

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**8. OPERATING RESERVE**

Under the terms of agreement with CMHC, after the payment of all costs and expenses including the allocation to the Replacement Reserve, any surplus revenue will be retained by the First Nation within an Operating Reserve fund. Interest earnings must accrue to and be maintained in the Operating Reserve fund. The Project's Operating Reserve fund may only be used for the ongoing operating cost of the housing projects committed under the 1997 On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund. The First Nation agrees to maintain an Operating Reserve fund insured by the Canada Deposit Insurance Corporation, or as may otherwise be mutually agreed to by the First Nation and CMHC.

	<b>2016</b>	<b>2015</b>
Balance, beginning of year	\$ 46,030	\$ 45,944
Allocation for the year	(4,713)	86
Balance, end of year	\$ 41,317	\$ 46,030

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**9. TANGIBLE CAPITAL ASSETS**

	<b>2016</b>			<b>2015</b>		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
<b>First Nations Government</b>						
Office furniture and equipment	\$ 72,677	\$ 72,677	\$ -	\$ 72,677	\$ 72,677	\$ -
Buildings	1,604,304	722,031	882,273	1,604,304	659,436	944,868
Mobile home	67,300	60,570	6,730	67,300	57,878	9,422
Band houses	814,713	567,397	247,316	814,713	534,808	279,905
Infrastructure	4,848,396	2,979,141	1,869,255	4,848,396	2,785,206	2,063,190
Automotive	116,887	115,486	1,401	116,887	111,287	5,600
Other equipment	455,587	387,870	67,717	455,587	350,618	104,969
Pre-1991 assets	1	1	-	1	1	-
	<b>7,979,865</b>	<b>4,905,173</b>	<b>3,074,692</b>	<b>7,979,865</b>	<b>4,571,911</b>	<b>3,407,954</b>
<b>Social Housing Project</b>						
Buildings	2,160,027	430,632	1,729,395	2,160,027	371,178	1,788,849
<b>Health</b>						
Elders' Centre	138,879	20,832	118,047	138,879	15,277	123,602
Office furniture and equipment	65,280	65,280	-	65,280	65,280	-
Automotive equipment	212,243	176,343	35,900	135,243	135,243	-
	<b>416,402</b>	<b>262,455</b>	<b>153,947</b>	<b>339,402</b>	<b>215,800</b>	<b>123,602</b>
<b>Enterprises</b>						
Office furniture and equipment	48,517	46,886	1,631	46,188	45,992	196
Shop	182,545	49,696	132,849	182,545	42,394	140,151
Excavating equipment	494,353	493,834	519	494,353	489,099	5,254
Automotive equipment	115,644	115,644	-	115,644	115,644	-
	<b>841,059</b>	<b>706,060</b>	<b>134,999</b>	<b>838,730</b>	<b>693,129</b>	<b>145,601</b>
	<b>\$ 11,397,353</b>	<b>\$ 6,304,320</b>	<b>\$ 5,093,033</b>	<b>\$ 11,318,024</b>	<b>\$ 5,852,018</b>	<b>\$ 5,466,006</b>

The tangible capital assets recorded at the nominal value of \$1 included land, automotive equipment, community centre and band office building, daycare building, office equipment, pumphouse and shop equipment. Band houses are owned by the Band during the period the related debt remains outstanding. When the debt is repaid the Band intends to transfer the houses to Band members for \$1.

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2016**

**9. TANGIBLE CAPITAL ASSETS (Continued)**

**2016**

	Buildings	Automotive	Infrastructure	Furniture and equipment	Excavating equipment	Other equipment	Total
Cost, beginning of year	\$ 4,967,768	\$ 367,774	\$ 4,848,396	\$ 184,145	\$ 494,353	\$ 455,587	\$ 11,318,023
Additions	-	77,000	-	2,330	-	-	79,330
Cost, end of year	4,967,768	444,774	4,848,396	186,475	494,353	455,587	11,397,353
Accumulated amortization, beginning of year	1,680,971	362,174	2,785,206	183,949	489,099	350,618	5,852,017
Amortization	170,187	45,299	193,936	894	4,735	37,252	452,303
Accumulated amortization, end of year	1,851,158	407,473	2,979,142	184,843	493,834	387,870	6,304,320
Net carrying amount, end of year	3,116,610	37,301	1,869,254	1,632	519	67,717	5,093,033

**2015**

	Buildings	Automotive	Infrastructure	Furniture and equipment	Excavating equipment	Other equipment	Total
Cost, beginning of year	\$ 4,967,768	\$ 367,774	\$ 4,848,396	\$ 184,145	\$ 494,353	\$ 455,587	\$ 11,318,023
Cost, end of year	4,967,768	367,774	4,848,396	184,145	494,353	455,587	11,318,023
Accumulated amortization, beginning of year	1,510,133	354,576	2,591,269	179,610	481,103	313,369	5,430,060
Amortization	170,838	7,598	193,937	4,339	7,996	37,249	421,957
Accumulated amortization, end of year	1,680,971	362,174	2,785,206	183,949	489,099	350,618	5,852,017
Net carrying amount, end of year	3,286,797	5,600	2,063,190	196	5,254	104,969	5,466,006

**10. ACCUMULATED SURPLUS**

Accumulated surplus is comprised of the following:

	2016	2015
Operating equity	\$ 1,571,931	\$ 1,398,176
Equity in Ottawa Trust	111,600	108,344
Equity in investments	3	3
Equity in tangible capital assets	3,993,765	4,298,464
	 \$ 5,677,299	 \$ 5,804,987

# XENI GWET'IN FIRST NATIONS GOVERNMENT

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

### 11. CONTINGENT LIABILITIES

#### Related to funding from Aboriginal Affairs and Northern Development Canada

Under the terms of the contribution agreements with Aboriginal Affairs and Northern Development Canada and other governmental departments, certain surpluses may be repayable to the government and certain deficits may be reimbursable to the Band.

#### Litigation

- a) The Band has completed court actions which assert aboriginal rights and title and seek to stop logging in its trap lines. The Supreme Court of Canada has ruled favourably in the Band's behalf. Further outcomes arising from these matters have yet to be determined.
- b) The Band has either been billed or has accumulated legal services in the amount of \$36,389,000 with respect to asserting aboriginal title. The legal advisors have agreed that no amount is payable to them by the band unless funds are obtained from outside sources, including court-award damages or a negotiated settlement with the Province of BC and Canada.
- c) Retainer agreements and sharing agreements also provide for payments to Assembly of First Nations, Douglas Lambert, Western Canada Wilderness Committee and David Suzuki Foundation. However, the amount of such payments cannot be determined at this time. None of these amounts have been recorded in the books of account. However, they will be netted against funds obtained from outside sources, as discussed in b) above.

#### On-reserve housing

The Band has guaranteed certain band member loans. The total amount guaranteed amounts to \$119,860 (2015 - \$119,860) with \$70,226 being outstanding at March 31, 2016 (2015 - \$76,746).

### 12. BUDGET INFORMATION

The Budget information disclosed has been approved by Council.

### 13. EXPENDITURES BY OBJECT

	2016	2015
Administration fees	\$ 2,925	\$ 26,587
Allowances	225,737	201,031
Amortization	452,303	421,958
Bad debts	1,355	7,025
Fuel, propane and oil	434,092	518,075
Honorarium	82,280	88,973
Insurance	77,533	70,893
Interest on long-term debt	18,506	19,437
Material and supplies	414,779	419,670
Other	245,094	426,436
Professional fees	515,472	311,239
Repairs and maintenance	43,736	61,101
Service contracts	997,243	1,171,973
Social assistance payments	316,659	384,121
Telephone	27,180	28,703
Travel, training and workshops	278,921	222,137
Wages and benefits	1,226,221	1,207,069
<b>TOTAL EXPENDITURES BY OBJECT</b>	<b>\$ 5,360,036</b>	<b>\$ 5,586,428</b>

# XENI GWET'IN FIRST NATIONS GOVERNMENT

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

### 14. EMPLOYEE BENEFITS

Xeni Gwet'in First Nations Government sponsors a defined contribution plan providing pension benefits for certain employees. Under the plan, Xeni Gwet'in First Nations Government matches the employee's contributions. During the year, Xeni Gwet'in First Nations Government contributed \$16,292 (2015 - \$20,144) and this employer's portion is recorded as employee benefits in the period when the benefit is earned.

### 15. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the current year's basis of presentation.

### 16. SEGMENT DISCLOSURE

Xeni Gwet'in First Nations Government provides a wide range of services. Services are delivered through distinguishable functional segments for which financial information is available and is evaluated regularly by Council and management in allocating resources and assessing results.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

2016	Economic development		Social development		Capital facilities and community		Social Housing		Enterprises		Eniyud health services		Band support		Total
	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	
<b>REVENUE</b>															
AANDC	\$ (100)	\$ 214,557	\$ 286,930	\$ 707,954	\$ -	\$ -	\$ -	\$ -	\$ 330,369	\$ 1,539,710					
Other	198,198	7,381	9,887	10,400	142,645	1,124,599	1,124,599	1,124,599	1,630,601	565,671	3,689,382				
	<b>198,098</b>	<b>221,938</b>	<b>296,817</b>	<b>718,354</b>	<b>142,645</b>	<b>1,124,599</b>	<b>1,124,599</b>	<b>1,124,599</b>	<b>1,630,601</b>	<b>896,040</b>	<b>5,229,092</b>				
<b>EXPENSES</b>															
Amortization	-	-	-	-	59,454	12,932	46,655	333,262	452,303						
Operating expenses	217,610	332,654	433,989	647,352	83,191	843,438	451,166	672,112	3,681,512						
Wages & benefits	100,435	39,371	31,626	39,375	-	265,476	372,012	377,926	1,226,221						
	<b>318,045</b>	<b>372,025</b>	<b>465,615</b>	<b>686,727</b>	<b>142,645</b>	<b>1,121,846</b>	<b>869,833</b>	<b>1,383,300</b>	<b>5,360,036</b>						
<b>SURPLUS (DEFICIT)</b>	<b>\$ (119,947)</b>	<b>\$ (150,087)</b>	<b>\$ (168,798)</b>	<b>\$ 31,627</b>	<b>\$ -</b>	<b>\$ 2,753</b>	<b>\$ 760,768</b>	<b>\$ (487,260)</b>	<b>\$ (130,944)</b>						

2015	Economic development		Social development		Capital facilities and community		Social Housing		Enterprises		Eniyud health services		Band support		Total
	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	
<b>REVENUE</b>															
AANDC	\$ 10,000	\$ 326,820	\$ 536,636	\$ 646,473	\$ -	\$ -	\$ -	\$ -	\$ 617,533	\$ 2,137,462					
Other	462,306	4,221	27,146	32,046	134,124	1,208,197	1,356,449	612,198	1,229,731	3,836,687					
	<b>472,306</b>	<b>331,041</b>	<b>563,782</b>	<b>678,519</b>	<b>134,124</b>	<b>1,208,197</b>	<b>1,356,449</b>	<b>612,198</b>	<b>1,229,731</b>	<b>3,836,687</b>					
<b>EXPENSES</b>															
Amortization	-	-	-	-	58,528	19,637	8,952	334,841	421,958						
Operating expenses	327,298	287,016	504,381	602,581	75,596	985,503	629,585	545,441	3,957,401						
Wages & benefits	105,354	39,687	38,904	40,937	-	271,074	438,683	272,430	1,207,069						
	<b>432,652</b>	<b>326,703</b>	<b>543,285</b>	<b>643,518</b>	<b>134,124</b>	<b>1,276,214</b>	<b>1,077,220</b>	<b>1,152,712</b>	<b>5,586,428</b>						
<b>SURPLUS (DEFICIT)</b>	<b>\$ 39,654</b>	<b>\$ 4,338</b>	<b>\$ 20,497</b>	<b>\$ 35,001</b>	<b>\$ -</b>	<b>\$ (68,017)</b>	<b>\$ 279,229</b>	<b>\$ 77,019</b>	<b>\$ 387,721</b>						