

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**ANNUAL FINANCIAL REPORT**

**MARCH 31, 2018**

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# TSILHQOT'IN PEOPLE OF XENI



*Xeni Gwet'in First  
Nations Government*  
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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

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  
Curtis Wilkinson, 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, 2018 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, 2018, 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, 2018

**XENI GWET'IN FIRST NATIONS GOVERNMENT**


**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2018**

	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash	\$ 5,440,446	\$ 1,437,725
Restricted cash (Note 3)	245,819	235,668
Accounts receivable (Note 4)	597,458	621,366
Long-term investments (Note 5)	1,103	1,103
	<u>6,284,826</u>	<u>2,295,862</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	516,556	327,662
Damage deposits payable	4,800	4,338
Deferred revenue	500,000	-
Long-term debt (Note 6)	975,411	1,037,947
Replacement reserve (Note 7)	113,001	102,794
Operating reserve (Note 8)	24,869	32,482
	<u>2,134,637</u>	<u>1,505,223</u>
<b>NET FINANCIAL ASSETS</b>	<u>4,150,189</u>	<u>790,639</u>
<b>NON-FINANCIAL ASSETS</b>		
Inventory	25,232	26,927
Prepaid expenses	62,872	57,780
Tangible capital assets (Note 9)	7,685,829	6,144,695
	<u>7,773,933</u>	<u>6,229,402</u>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<u>\$ 11,924,122</u>	<u>\$ 7,020,041</u>

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, 2018**

	2018 Budget	2018 Actual	2017 Actual
<b>REVENUES</b>			
Indigenous and Northern Affairs Canada	\$ -	\$ 5,679,445	\$ 3,082,445
CMHC	-	57,921	59,250
Social housing	-	85,613	82,348
Xeni Gwet'in Enterprises	-	1,259,722	1,203,442
Eniyud Health Services	-	1,750,557	1,263,919
Other revenues	-	2,153,971	1,288,027
	-	10,987,229	6,979,431
<b>EXPENSES</b>			
Economic development	-	275,281	238,684
Education	-	277,614	343,346
Social development	-	416,211	447,864
Capital facilities and community	-	562,410	618,192
Social housing	-	143,534	141,598
Xeni Gwet'in Enterprises	-	1,241,436	1,217,473
Eniyud Health Services	-	1,147,730	1,132,375
Band support	-	2,022,487	1,500,307
	-	6,086,703	5,639,839
<b>ANNUAL SURPLUS</b>	-	4,900,526	1,339,592
<b>ACCUMULATED SURPLUS, beginning of year</b>	-	7,020,041	5,677,300
<b>INTEREST EARNED ON OTTAWA TRUST FUNDS</b>	-	3,555	3,149
<b>ACCUMULATED SURPLUS, end of year</b>	\$ -	\$ 11,924,122	\$ 7,020,041

**XENI GWET'IN FIRST NATIONS GOVERNMENT**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

	2018 Budget	2018 Actual	2017 Actual
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 4,900,526	\$ 4,900,526	\$ 1,339,592
Purchases of tangible capital assets	-	(2,069,455)	(1,528,919)
Amortization of tangible capital assets	-	528,321	477,257
Interest earned on Ottawa Trust funds	-	3,555	3,149
Consumption (acquisition) of inventory	-	1,695	(3,249)
Use (increase) of prepaid expenses	-	(5,092)	19,777
<b>INCREASE IN NET FINANCIAL ASSETS</b>	4,900,526	3,359,550	307,607
<b>NET FINANCIAL ASSETS, beginning of year</b>	790,639	790,639	483,032
<b>NET FINANCIAL ASSETS, end of year</b>	\$ 5,691,165	\$ 4,150,189	\$ 790,639

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 4,900,526	\$ 1,339,592
Adjustment for items not involving cash:		
Amortization of tangible capital assets	528,321	477,257
Increase (decrease) in replacement reserve and operating reserves	2,594	(3,391)
Change in non-cash operating items	703,271	(109,748)
Cash flows from operating activities	6,134,712	1,703,710
<b>FINANCING ACTIVITY</b>		
Repayments of long-term debt	(62,536)	(61,317)
<b>INVESTING ACTIVITY</b>		
Purchase of investments	-	(1,100)
<b>CAPITAL ACTIVITY</b>		
Purchase of tangible capital assets	(2,069,455)	(1,528,919)
<b>INCREASE IN CASH, during the year</b>	4,002,721	112,374
<b>CASH, beginning of year</b>	1,437,725	1,325,351
<b>Cash, end of year</b>	\$ 5,440,446	\$ 1,437,725
 Cash paid during the year for interest	 \$ 14,200	 \$ 17,463



# **XENI GWET'IN FIRST NATIONS GOVERNMENT**

## **NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

### **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.

Xeni Gwet'in First Nations Government accounts for its investments in Cariboo Indian Enterprises Ltd., Tsilhqot'in Economic Development Corp., Tsilhqot'in Forest Products Inc., Tsilhqot'in Economic Advancement GP Ltd. and Dandzen Development Limited Partnership using the cost method.

#### **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.

# XENI GWET'IN FIRST NATIONS GOVERNMENT

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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.

#### 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 Indigenous and Northern Affairs Canada (INAC) and other government departments.

### 3. RESTRICTED CASH

	2018	2017
Social Housing replacement reserve - cash	\$ 99,586	\$ 92,989
Social Housing operating reserve - cash	27,929	27,929
Ottawa Trust Monies - cash	118,304	114,750
	<u>\$ 245,819</u>	<u>\$ 235,668</u>

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 Indigenous and Northern Affairs 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, 2018**

**4. ACCOUNTS RECEIVABLE**

	2018	2017
Chief, councilors and band members	\$ 27,260	\$ 26,828
Indigenous and Northern Affairs Canada	-	81,766
CCATEC	131,483	-
CMHC	80,811	53,906
First Nations Health Authority	117,657	117,657
GST rebate	27,566	36,923
Ministry of Children and Family Development	50,000	-
Interior Roads	17,425	19,324
Other	134,171	128,029
Province of BC	60,500	200,000
Social Housing rents receivable	8,501	11,318
	655,374	675,751
Less: allowance for doubtful accounts (includes \$24,858 for amounts from band members)	(57,916)	(54,385)
	\$ 597,458	\$ 621,366

**5. LONG TERM INVESTMENTS**

	2018	2017
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
Tsilhqot'in Economic Advancement GP Ltd. - shares, at cost	1,000	1,000
Dandzen Development Limited Partnership - partnership interest, at cost	100	100
	\$ 1,103	\$ 1,103

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**6. LONG TERM DEBT**

	<b>2018</b>	<b>2017</b>
All Nations Trust Company mortgage, repayable in monthly instalments of \$3,734 including interest at 1.30% per annum, renewal date June 2022	\$ 576,553	\$ 613,378
All Nations Trust Company mortgage, repayable in monthly instalments of \$2,637 including interest at 1.44% per annum, renewal date February 2022	398,858	424,569
	<b>\$ 975,411</b>	<b>\$ 1,037,947</b>

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

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

2019	\$ 63,608
2020	64,476
2021	65,357
2022	358,551
2023	423,419
	<u>\$ 975,411</u>

# XENI GWET'IN FIRST NATIONS GOVERNMENT

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

### 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 (2017 - \$14,000) annually. Withdrawals are credited to interest first and then principal.

	2018	2017
Balance, beginning of year	\$ 102,794	\$ 97,350
Allocation as per budget	14,000	14,000
Interest income	39	-
Purchases during the year	(3,832)	(8,556)
Balance, end of year	\$ 113,001	\$ 102,794

### 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.

	2018	2017
Balance, beginning of year	\$ 32,482	\$ 41,317
Allocation for the year	(7,613)	(8,835)
Balance, end of year	\$ 24,869	\$ 32,482

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**9. TANGIBLE CAPITAL ASSETS**

	2018			2017		
	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	877,794	438,519	439,275	877,794	406,579	471,215
Mobile home	67,300	65,954	1,346	67,300	63,262	4,038
Band houses	814,713	632,575	182,138	814,713	599,986	214,727
Infrastructure	6,236,381	3,451,140	2,785,241	5,563,573	3,201,684	2,361,889
Infrastructure under construction	1,445,982	-	1,445,982	456,541	-	456,541
Automotive	116,887	116,887	-	116,887	116,887	-
Other equipment	455,587	455,587	-	455,587	425,121	30,466
Pre-1991 assets	1	1	-	1	1	-
	<u>10,087,322</u>	<u>5,233,340</u>	<u>4,853,982</u>	<u>8,425,073</u>	<u>4,886,197</u>	<u>3,538,876</u>
<b>Social Housing Project</b>						
Buildings	2,160,027	553,711	1,606,316	2,160,027	491,177	1,668,850
<b>Health</b>						
Buildings	1,477,184	475,019	1,002,165	1,192,696	415,932	776,764
Office furniture and equipment	118,559	75,936	42,623	65,280	65,280	-
Automotive equipment	197,651	195,951	1,700	212,243	199,443	12,800
	<u>1,793,394</u>	<u>746,906</u>	<u>1,046,488</u>	<u>1,470,219</u>	<u>680,655</u>	<u>789,564</u>
<b>Enterprises</b>						
Office furniture and equipment	48,517	48,285	232	48,517	47,585	932
Shop	182,545	64,300	118,245	182,545	56,998	125,547
Excavating equipment	494,353	494,353	-	494,353	494,353	-
Automotive equipment	214,978	154,412	60,566	145,538	124,612	20,926
	<u>940,393</u>	<u>761,350</u>	<u>179,043</u>	<u>870,953</u>	<u>723,548</u>	<u>147,405</u>
	<u>\$ 14,981,136</u>	<u>\$ 7,295,307</u>	<u>\$ 7,685,829</u>	<u>\$ 12,926,272</u>	<u>\$ 6,781,577</u>	<u>\$ 6,144,695</u>

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.

Infrastructure under construction has been capitalized at costs incurred to date. No amortization has been recorded on these assets under construction and amortization will commence when the assets are put into operation.

**XENI GWET'IN FIRST NATIONS GOVERNMENT**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

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

	<b>2018</b>						
	Buildings	Automotive	Infrastructure	Furniture and equipment	Excavating equipment	Other equipment	Total
Cost, beginning of year	\$ 5,295,075	\$ 474,668	\$ 6,020,114	\$ 186,475	\$ 494,353	\$ 455,587	\$ 12,926,272
Additions	284,488	69,440	1,662,249	53,278	-	-	2,069,455
Disposals	-	(14,592)	-	-	-	-	(14,592)
Cost, end of year	5,579,563	529,516	7,682,363	239,753	494,353	455,587	14,981,135
Accumulated amortization, beginning of year	2,033,933	440,942	3,201,685	185,542	494,353	425,122	6,781,577
Amortization	196,146	40,900	249,455	11,355	-	30,465	528,321
Disposals	-	(14,592)	-	-	-	-	(14,592)
Accumulated amortization, end of year	2,230,079	467,250	3,451,140	196,897	494,353	455,587	7,295,306
Net carrying amount, end of year	\$ 3,349,484	\$ 62,266	\$ 4,231,223	\$ 42,856	\$ -	\$ -	\$ 7,685,829

	<b>2017</b>						
	Buildings	Automotive	Infrastructure	Furniture and equipment	Excavating equipment	Other equipment	Total
Cost, beginning of year	\$ 4,967,768	\$ 444,774	\$ 4,848,396	\$ 186,475	\$ 494,353	\$ 455,587	\$ 11,397,353
Additions	327,307	29,894	1,171,718	-	-	-	1,528,919
Cost, end of year	5,295,075	474,668	6,020,114	186,475	494,353	455,587	12,926,272
Accumulated amortization, beginning of year	1,851,158	407,473	2,979,142	184,843	493,834	387,870	6,304,320
Amortization	182,775	33,469	222,543	699	519	37,252	477,257
Accumulated amortization, end of year	2,033,933	440,942	3,201,685	185,542	494,353	425,122	6,781,577
Net carrying amount, end of year	\$ 3,261,142	\$ 33,726	\$ 2,818,429	\$ 933	\$ -	\$ 30,465	\$ 6,144,695

**10. ACCUMULATED SURPLUS**

Accumulated surplus is comprised of the following:

	<b>2018</b>	<b>2017</b>
Operating equity	\$ 5,094,298	\$ 1,797,441
Equity in Ottawa Trust	118,304	114,750
Equity in investments	1,103	1,103
Equity in tangible capital assets	6,710,417	5,106,747
	<b>\$ 11,924,122</b>	<b>\$ 7,020,041</b>

# XENI GWET'IN FIRST NATIONS GOVERNMENT

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

### 11. CONTINGENT LIABILITIES

#### Related to funding from Indigenous and Northern Affairs Canada

Under the terms of the contribution agreements with Indigenous and Northern Affairs 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 (2017 - \$119,860) with \$55,961 being outstanding at March 31, 2018 (2017 - \$62,767).

### 12. BUDGET INFORMATION

The Budget information disclosed has been approved by Council.

### 13. EXPENSES BY OBJECT

	2018	2017
Administration fees	\$ 24,347	\$ 3,248
Allowances	171,727	206,319
Amortization	528,321	477,256
Bad debts	168	425
Fuel, propane and oil	464,207	457,914
Honorarium	76,462	61,854
Insurance	82,667	79,043
Interest on long-term debt	13,947	17,311
Material and supplies	570,120	546,713
Other	254,193	243,404
Professional fees	664,407	479,863
Repairs and maintenance	69,842	64,890
Service contracts	1,032,460	950,946
Social assistance payments	257,871	280,139
Telephone	31,403	28,493
Travel, training and workshops	393,144	328,275
Wages and benefits	1,451,417	1,413,746
<b>TOTAL EXPENSES BY OBJECT</b>	<b>\$ 6,086,703</b>	<b>\$ 5,639,839</b>



# XENI GWET'IN FIRST NATIONS GOVERNMENT

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

### 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 \$17,089 (2017 - \$17,240) and this employer's portion is recorded as employee benefits in the period when the benefit is earned.

### 15. 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.

2018	Economic development	Education	Social development	Capital facilities and community	Social Housing	Enterprises	Eniyud health services	Band support	Total
<b>REVENUE</b>									
INAC	\$ -	\$ 324,008	\$ 465,799	\$ 4,384,944	\$ -	\$ -	\$ -	\$ 504,694	\$ 5,679,445
Other	443,425	4,821	21,338	414,100	143,534	1,259,722	1,750,557	1,270,287	5,307,784
	443,425	328,829	487,137	4,799,044	143,534	1,259,722	1,750,557	1,774,981	10,987,229
<b>EXPENSES</b>									
Amortization	-	-	-	-	62,536	37,801	80,843	347,141	528,321
Operating expenses	145,837	238,339	357,927	503,631	80,998	944,878	647,930	1,187,425	4,106,965
Wages & benefits	129,444	39,275	58,284	58,779	-	258,757	418,957	487,921	1,451,417
	275,281	277,614	416,211	562,410	143,534	1,241,436	1,147,730	2,022,487	6,086,703
<b>SURPLUS (DEFICIT)</b>	<b>\$ 168,144</b>	<b>\$ 51,215</b>	<b>\$ 70,926</b>	<b>\$ 4,236,634</b>	<b>\$ -</b>	<b>\$ 18,286</b>	<b>\$ 602,827</b>	<b>\$ (247,506)</b>	<b>\$ 4,900,526</b>

2017	Economic development	Education	Social development	Capital facilities and community	Social Housing	Enterprises	Eniyud health services	Band support	Total
<b>REVENUE</b>									
INAC	\$ 31,000	\$ 329,916	\$ 561,872	\$ 1,693,027	\$ -	\$ -	\$ -	\$ 466,630	\$ 3,082,445
Other	161,770	6,839	21,872	490,650	141,598	1,203,442	1,263,918	606,897	3,896,986
	192,770	336,755	583,744	2,183,677	141,598	1,203,442	1,263,918	1,073,527	6,979,431
<b>EXPENSES</b>									
Amortization	-	-	-	-	60,545	17,488	70,808	328,415	477,256
Operating expenses	163,533	303,378	389,951	572,406	81,053	938,173	615,448	684,895	3,748,837
Wages & benefits	75,151	39,968	57,913	45,786	-	261,812	446,119	486,997	1,413,746
	238,684	343,346	447,864	618,192	141,598	1,217,473	1,132,375	1,500,307	5,639,839
<b>SURPLUS (DEFICIT)</b>	<b>\$ (45,914)</b>	<b>\$ (6,591)</b>	<b>\$ 135,880</b>	<b>\$ 1,565,485</b>	<b>\$ -</b>	<b>\$ (14,031)</b>	<b>\$ 131,543</b>	<b>\$ (426,780)</b>	<b>\$ 1,339,592</b>