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**Toosey Indian Band  
Financial Statements**

**March 31, 2014**

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**Toosey Indian Band**  
**INDEX TO THE FINANCIAL STATEMENTS**

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**For the year ended March 31, 2014**

**Management's Responsibility for Financial Reporting**  
**Auditor's Report**

**SUMMARY FINANCIAL STATEMENTS**

Consolidated Statement of Financial Position	Statement 1
Consolidated Statement of Operations	Statement 2
Consolidated Statement of Net Financial Assets	Statement 3
Consolidated Statement of Cash Flows	Statement 4
Notes to Financial Statements	

Toosey Indian Band  
**MARCH 31, 2014**

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying consolidated financial statements of Toosey Indian Band are the responsibility of management and have been approved by Chief and Council

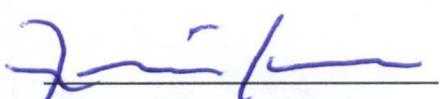
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

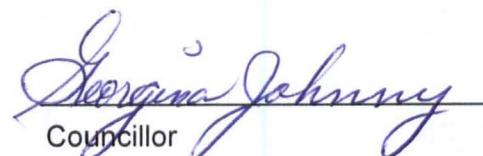
Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meet 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 consolidated financial statements and the external auditor's report.

The external auditors, Ribeyre & Company conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Toosey Indian Band and meet when required.



Chief Francis Laceese



Georgina Johnny  
Councillor

Chartered Accountants

#303 – 2071 Kingsway Avenue  
Port Coquitlam, B.C.V3C 6N2

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\* Ted Ribeyre Ltd. operating as

## INDEPENDENT AUDITOR'S REPORT

To: The Members of Toosey Indian Band

**Toosey Indian Band**  
**Report on the Financial Statements**

We have audited the accompanying financial statements of Toosey Indian Band, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statement of operations, consolidated statement of net financial assets, consolidated statement of 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 generally accepted accounting principles, 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 from 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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Toosey Indian Band** as at March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Port Coquitlam, B.C.  
July 21, 2014

*Ribeyre & Company*  
Chartered Accountants

**Toosey Indian Band**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at March 31, 2014**

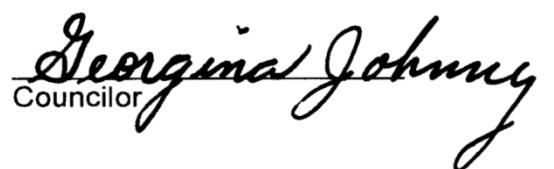
**Statement 1**

	<b>2014</b>	<b>2013</b>
<b>Financial assets</b>		
Cash - Note 3	\$ 860,837	\$ 914,937
Accounts receivable - Note 4	464,476	247,702
Inventory	40,467	57,262
Investments - Note 5	220,790	252,771
Trust moneys - Note 6	92,192	333,731
	<b>1,678,762</b>	1,806,403
<b>Financial liabilities</b>		
Demand loans - Note 7	5,622	12,877
Accounts payable	768,772	703,329
Deferred revenue - Note 8	850	850
Long-term debt - Note 9	159,399	284,085
	<b>934,643</b>	1,001,141
<b>Net financial assets</b>	<b>744,119</b>	805,262
<b>Non-financial assets</b>		
Prepaid expenses and deposits	18,830	13,244
Tangible capital assets - Note 10	6,642,032	3,307,635
	<b>6,660,862</b>	3,320,879
<b>Accumulated surplus</b>	<b>\$ 7,404,981</b>	\$ 4,126,141

See accompanying notes

On behalf of Chief and Council:

  
 Chief Francis Laceese

  
 Georgina Johnny  
 Councilor

**Toosey Indian Band**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

As at March 31, 2014		<b>Statement 2</b>	
	<b>Budget</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development			
Canada	\$ -	<b>1,217,018</b>	\$ 2,428,823
Health Canada / FNIHC	-	<b>1,303,977</b>	420,017
Canada Mortgage and Housing Corporation	-	<b>40,250</b>	119,442
Investment fund income	-	<b>1,751,295</b>	1,937,875
Miscellaneous income	-	<b>492,408</b>	330,501
Province of British Columbia	-	<b>131,325</b>	148,206
Rental income	-	<b>54,393</b>	58,787
Trust income	-	<b>8,461</b>	8,398
	<hr/>	<hr/>	<hr/>
	<b>4,999,127</b>	5,452,049	
<b>Expenses</b>			
<b>Operating Fund</b>			
Band government	-	<b>406,991</b>	237,051
Community infrastructure	-	<b>154,283</b>	284,533
Economic development	-	<b>63,693</b>	129,606
Education and training	-	<b>97,437</b>	139,134
Health	-	<b>262,039</b>	219,274
Social programs	-	<b>323,466</b>	420,830
Capital projects	-	<b>(1,568,297)</b>	1,611,514
<b>Investment Fund</b>	<hr/>	<hr/>	<hr/>
<b>Social Housing Fund</b>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
	<b>1,594,572</b>	5,209,253	
<b>Annual surplus</b>	<hr/>	<hr/>	<hr/>
<b>Accumulated surplus, beginning of year</b>	<hr/>	<b>4,126,141</b>	4,126,921
Recoveries	<hr/>	<b>(125,715)</b>	(243,576)
Accumulated surplus, end of year	<hr/>	<b>\$ 7,404,981</b>	\$ 4,126,141

*See accompanying notes*

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**Toosey Indian Band**  
**CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS**

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**As at March 31, 2014**

**Statement 3**

**2014**                    **2013**

<b>Annual surplus</b>	<b>\$3,404,555</b>	\$ 242,796
<b>Recoveries in the year</b>	<b>(125,715)</b>	(243,576)
	<b>3,278,840</b>	(780)
<hr/>		
<b>Changes in tangible capital assets</b>		
Acquisition of tangible capital assets	(3,605,836)	(251,431)
Amortization of tangible capital assets	271,439	218,848
	<b>(3,334,397)</b>	(32,583)
<hr/>		
<b>Changes in other non-financial assets</b>		
(Acquisition) use of prepaid assets - net	<b>(5,586)</b>	6,798
<hr/>		
<b>Increase in net financial assets</b>	<b>(61,143)</b>	(26,565)
<hr/>		
<b>Net financial assets, beginning of year</b>	<b>805,262</b>	831,827
<hr/>		
<b>Net financial assets, end of year</b>	<b>\$ 744,119</b>	\$ 805,262
<hr/>		

*See accompanying notes*

**Toosey Indian Band**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended March 31, 2014

Statement 4

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Net change in accumulated surplus	\$ 3,278,840	\$ (780)
Items not involving cash:		
Depreciation of assets	271,439	218,848
Change in Investment Fund	73,213	172,926
Moneys earned in Trust Fund	(8,461)	(8,398)
Changes in non-cash working capital items	<u>(140,122)</u>	369,248
<b>Cash provided by operating activities</b>	<b>3,474,909</b>	751,844
<b>INVESTING ACTIVITIES</b>		
Purchase and construction of fixed assets	(3,605,836)	(251,431)
Advance to investment	(41,232)	-
Transfer from Trust Fund	250,000	-
<b>Cash used in investing activities</b>	<b>(3,397,068)</b>	(251,431)
<b>FINANCING ACTIVITIES</b>		
Repayment of demand loans	(7,255)	(8,804)
Repayment of long-term debt	(124,686)	(58,031)
<b>Cash used in financing activities</b>	<b>(131,941)</b>	(66,835)
<b>(Decrease) increase in cash during the year</b>	<b>(54,100)</b>	433,578
Cash, beginning of year	914,937	481,359
<b>Cash, end of year</b>	<b>\$ 860,837</b>	\$ 914,937

See accompanying notes

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# Toosey Indian Band

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2014

See Auditor's Report

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

These summary financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, which encompasses the following principles.

#### a) Fund accounting

The Toosey Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Toosey Indian Band maintains the following funds:

- The Operating Fund which reports the general activities of the First Nation.
- The Investment Fund which reports the First Nation's investments in related entities.
- The Trust Fund which reports on trust funds owned by the First Nation and held by a third party.
- The Social Housing Fund which reports on the social housing assets of the First Nation, together with related activities.

#### b) Reporting entity and principles of financial reporting

The Toosey Indian Band reporting entity includes the Toosey Indian Band government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operation for the following entities which use accounting principles which lend themselves to consolidation:

- Operating Fund
- Investment Fund
- Trust Fund
- Social Housing Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

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# Toosey Indian Band

## NOTES TO FINANCIAL STATEMENTS

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**March 31, 2014**

**See Auditor's Report**

**1. Continued ...**

Incorporated business entity which is owned or controlled by the Toosey Indian Band and which is not dependant on the First Nation for their continuing operations, is included in the summary financial statements using the modified equity method. This includes:

- Chilcotin Plateau Enterprises Ltd. (100% ownership)

**c) Tangible capital assets**

Tangible capital assets are valued at either cost or estimated cost and recorded in the Operating Fund.

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

Tangible capital assets acquired as part of the Social Housing Fund are recorded as assets of that Fund.

**d) Depreciation**

Tangible capital assets are recorded and depreciated with a corresponding reduction in Equity in Tangible capital assets. Assets are depreciated over their expected useful life using the declining balance method at the following rates:

Buildings and infrastructure	5%
Office and general equipment	20% to 30%
Mobile equipment	30%
Storage tanks	5%
Computer equipment	30%
Farming equipment	20%
Contracting equipment	30%

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

**e) Inventory**

Inventory is recorded at the lower of cost and net realizable value.

**f) Revenue Recognition**

Revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

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# Toosey Indian Band

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2014

See Auditor's Report

### 1. Continued ...

#### g) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 expenditures during the reporting period. Actual results could differ from those estimates.

### 2. ECONOMIC DEPENDENCE

The Toosey Indian Band receives a major portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

### 3. CASH

	2014	2013
Included in cash are amounts that are restricted in their availability for use as provided by the CMHC Social Housing program requirements as described in Note 11.	<u>\$ 118,083</u>	<u>\$ 116,484</u>

### 4. ACCOUNTS RECEIVABLE

	2014	2013
Aboriginal Affairs and Northern Development Canada	\$ 140,955	\$ 111,039
Canada Mortgage and Housing Corporation	742	3,592
Band members	270,308	270,308
Other	322,779	133,071
	<u>734,784</u>	<u>518,010</u>
Less allowance for doubtful accounts	<u>(270,308)</u>	<u>(270,308)</u>
	<u><u>\$ 464,476</u></u>	<u><u>\$ 247,702</u></u>

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# Toosey Indian Band

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2014

See Auditor's Report

### 5. INVESTMENTS

Investments consist of the following:	2014	2013
Chilcotin Plateau Enterprise Ltd. (100%)		
Common share	1	1
Advances	131,841	90,609
Deficit	(111,052)	(98,729)
	<b>20,790</b>	(8,119)
Dene Development Corporation (33.3%, 2006 - 25%)		
1 common share	\$ 1	\$ 1
Advances - net	(3,884)	(3,884)
Accumulated surplus (deficit)	3,883	3,883
	-	-
Rivers West sawmill (22%)		
Advances through Tsilquot'in National Government	<b>200,000</b>	260,890
	<b>\$ 220,790</b>	\$ 252,771

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The share is held in trust on behalf of the membership by a specific member under a trust agreement.

Advances are unsecured, non-interest bearing and have no stated terms of repayment.

Financial information for the corporation for its respective year end is as follow:

	Assets	Liabilities	Revenue	Net income
Chilcotin Plateau Enterprise Ltd.				
March 31, 2014	\$ 64,698	\$ 175,749	\$ 519,185	\$ (12,323)

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### 6. TRUST MONEYS

The Ottawa Trust accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

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**Toosey Indian Band**  
**NOTES TO FINANCIAL STATEMENTS**

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**March 31, 2014**

**See Auditor's Report**

**7. DEMAND LOANS**

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	<b>2014</b>	<b>2013</b>
Demand loan payable with monthly payments of \$631 including interest at 3.11% per annum is due on demand secured by a Ministerial Guarantee.	<u>\$ 5,622</u>	<u>\$ 12,877</u>

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**8. DEFERRED REVENUE**

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	<b>2014</b>	<b>2013</b>
Deferred revenue is comprised of the following:		

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Unearned rents	<u>\$ 850</u>	<u>\$ 850</u>
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**Toosey Indian Band**  
**NOTES TO FINANCIAL STATEMENTS**

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**March 31, 2014**

**See Auditor's Report**

**9. LONG-TERM DEBT**

	<b>2014</b>	<b>2013</b>
Mortgage payable with monthly payments of \$1,792 including interest at 1.67% per annum is due April 1, 2017 secured by a Ministerial Guarantee.	\$ 159,399	\$ 178,078
Mortgage payable	-	40,372
Loan payable	-	65,635
	<b>\$ 159,399</b>	<b>\$ 284,085</b>

Principal repayment over the next five years is scheduled as follows:

2015	\$ 18,993
2016	\$ 19,311
2017	\$ 19,635
2018	\$ 101,460
2019	\$ -

# Toosey Indian Band

## NOTES TO FINANCIAL STATEMENTS

March 31, 2014

### **See Auditor's Report**

## 10. TANGIBLE CAPITAL ASSETS

	2014								2013	
	Beginning Cost	Additions	Disposals	Ending Cost	Beginning Accumulated Depreciation	Depreciation	Disposals	Ending Accumulated Depreciation	Net Book Value	Net Book Value
<b>Operating Fund</b>										
Buildings and infrastructure	\$ 4,403,619	\$ 3,602,358	\$ -	\$ 8,005,977	\$ 1,518,049	\$ 192,091	\$ -	\$ 1,710,140	\$ 6,295,837	\$ 2,885,570
Mobile equipment	275,521	-	-	275,521	251,773	7,123	-	258,896	16,625	23,748
Office equipment	51,019	3,478	-	54,497	44,763	2,399	-	47,162	7,335	6,256
	<b>4,730,159</b>	<b>3,605,836</b>	<b>-</b>	<b>8,335,995</b>	<b>1,814,585</b>	<b>201,613</b>	<b>-</b>	<b>2,016,198</b>	<b>6,319,797</b>	<b>2,915,574</b>
<b>Investment Fund</b>										
Buildings and infrastructure	182,425	-	-	182,425	48,250	6,708	-	54,958	127,467	134,175
Office and general equipment	7,573	-	-	7,573	6,976	120	-	7,096	477	597
Mobile equipment	2,751	-	-	2,751	2,751	-	-	2,751	-	-
Storage tanks	82,247	-	-	82,247	51,460	1,539	-	52,999	29,248	30,787
Computer equipment	19,265	-	-	19,265	13,482	1,735	-	15,217	4,048	5,783
Farming equipment	16,206	-	-	16,206	16,128	16	-	16,144	62	78
Contracting equipment	177,415	-	-	177,415	175,224	657	-	175,881	1,534	2,191
	<b>487,882</b>	<b>-</b>	<b>-</b>	<b>487,882</b>	<b>314,271</b>	<b>10,775</b>	<b>-</b>	<b>325,046</b>	<b>162,836</b>	<b>173,611</b>
<b>Social Housing Fund</b>										
Buildings and infrastructure	1,193,614	-	-	1,193,614	975,164	59,051	-	1,034,215	159,399	218,450
	<b>\$ 6,411,655</b>	<b>\$ 3,605,836</b>	<b>\$ -</b>	<b>\$ 10,017,491</b>	<b>\$ 3,104,020</b>	<b>\$ 271,439</b>	<b>\$ -</b>	<b>\$ 3,375,459</b>	<b>\$ 6,642,032</b>	<b>\$ 3,307,635</b>

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# Toosey Indian Band

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2014

See Auditor's Report

### 11. REPLACEMENT RESERVE FUND

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage and Housing Corporation, Toosey Indian Band Social Housing must set aside funds annually for the non-annual expenditures of the Program for the repair, maintenance and replacement of worn out assets.

These funds are to be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund.

As at March 31, 2014, cash and term deposits required to fund the Replacement Reserve Fund were deficient by \$61,435 (2013 - \$48,168).

### 12. BUDGET INFORMATION

The budget information disclosed has been approved by the Toosey Indian Band Chief and Council. Individual program operations not showing budget information does not mean budgets were not prepared but rather that their amounts were not readily determinable.

### 13. RELATED PARTY TRANSACTIONS

During the year, the Band paid Chilcotin Plateau Enterprises Ltd., a wholly-owned Band enterprise, \$25,000 (2013 - \$158,582) to perform the contract deliverables of an Aboriginal Affairs and Northern Development Canada program. The contract price was at fair value as it was the amount received by the Band for the contract. Also, during the year, the Band received \$16,171 (2013 - \$1,992) for sale of fuel.