

**Westbank First Nation
Local Government Services
Financial Statements
For the year ended March 31, 2016**

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Management's Responsibility for Financial Reporting

The accompanying financial statements of Westbank First Nation Local Government Services are the responsibility of management and have been approved by the Chief and Administrator on behalf of Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the financial statements are based on management's best estimates and judgments. Actual results could differ as additional information becomes available in the future. 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 Nation 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 Nation's assets are appropriately accounted for and adequately safeguarded.

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

Chief and Council members 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 annual report, the financial statements and the external auditor's report.

The financial statements have been audited by BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the members. The independent auditor's report expresses their opinion on these financial statements. The auditors have full and free access to the accounting records and to Chief and Council of the Westbank First Nation.



Chief



Administrator / Director of Operations



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Independent Auditor's Report

To the Members of Westbank First Nation

We have audited the accompanying financial statements of Westbank First Nation Local Government Services, which comprise the statement of financial position as at March 31, 2016, and the statements of financial activities, change 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 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 significant 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, these financial statements present fairly, in all material respects, the financial position of Westbank First Nation Local Government Services as at March 31, 2016 and the results of its financial activities and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules or exhibits on page 28 through 38 of the Westbank First Nation Local Government Services Financial Statements.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
June 27, 2016

**Westbank First Nation
Local Government Services
Statement of Financial Position**

March 31	2016	2015
Financial Assets		
Cash (Note 1)	\$ 8,841,638	\$ 8,743,935
Short term deposits (Note 2)	19,986,511	19,805,642
Accounts receivable (Note 3)	4,477,159	4,295,207
Due from related parties (Note 4)	11,747	17,321
	33,317,055	32,862,105
Financial Liabilities		
Accounts payable and accrued liabilities	2,128,571	2,186,993
Prepaid property taxes and utilities	110,503	106,091
Deferred development cost charges (Note 5)	9,078,751	9,443,728
Due to related parties (Note 4)	779,848	361,612
	12,097,673	12,098,424
Net Financial Assets	21,219,382	20,763,681
Non - Financial Assets		
Tangible capital assets (Note 6)	47,962,165	37,447,452
Accumulated Surplus (Note 7)	\$ 69,181,547	\$ 58,211,133

Approved on behalf of the Council:



Chief



Councillor

**Westbank First Nation
Local Government Services
Statement of Financial Activities**

For the year ended March 31	Budget 2016	Actual 2016	Actual 2015
Revenues			
Indigenous and Northern Affairs Canada	\$ 206,400	\$ 206,400	\$ 189,929
Indigenous and Northern Affairs Canada - Contributions	-	350	-
Property taxes, net of home owner grant	11,685,188	11,511,697	11,129,926
Parks and recreation	(3,900)	(1,052)	16,059
Planning and development	353,000	1,075,756	1,536,409
Bylaw enforcement	69,500	80,595	83,644
Operations and maintenance	250,700	313,312	260,059
Water and sewer	1,417,648	1,523,535	1,477,469
Interest and penalties	155,000	168,625	159,852
Interest on investments	62,000	317,893	398,400
Other fundraising, donations, contributions and grants	360,129	408,008	468,187
Contributed assets	-	7,980,856	-
Transfers from related parties	27,349	716,424	128,938
	<u>14,583,014</u>	<u>24,302,399</u>	<u>15,848,872</u>
Expenses (Note 8)			
Amortization (Note 6)	-	1,169,059	931,778
General governmental services	8,906,828	7,753,923	7,826,555
Protective services	1,323,985	1,388,114	1,236,958
Transfers to other governments	1,787,132	1,808,796	1,704,264
Water and sewer	1,410,545	1,053,093	1,118,493
Transfers to related parties	159,000	159,000	172,000
	<u>13,587,490</u>	<u>13,331,985</u>	<u>12,990,048</u>
Annual surplus	995,524	10,970,414	2,858,824
Accumulated surplus, beginning of year	58,211,133	58,211,133	55,352,309
Accumulated surplus (Note 7), end of year	<u>\$ 59,206,657</u>	<u>\$ 69,181,547</u>	<u>\$ 58,211,133</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Westbank First Nation
Local Government Services
Statement of Change in Net Financial Assets**

For the year ended March 31	Budget 2016	Actual 2016	Actual 2015
Annual surplus	\$ 995,524	\$ 10,970,414	\$ 2,858,824
Acquisition of tangible capital assets (Note 6)	(3,337,000)	(11,683,772)	(3,442,703)
Amortization of tangible capital assets (Note 6)	-	1,169,059	931,778
Change in net financial assets	(2,341,476)	455,701	347,899
Net financial assets, beginning of year	20,763,681	20,763,681	20,415,782
Net financial assets, end of year	\$ 18,422,205	\$ 21,219,382	\$ 20,763,681

**Westbank First Nation
Local Government Services
Statement of Cash Flows**

For the year ended March 31	2016	2015
Operating Activities		
Cash receipts from customers, ratepayers and developers	\$ 15,292,158	\$ 14,938,854
Cash paid to employees and suppliers	(12,220,997)	(13,365,259)
Interest received	486,519	558,253
	<u>3,557,680</u>	<u>2,131,848</u>
Capital Activities		
Purchase of tangible capital assets	<u>(3,702,916)</u>	<u>(3,442,703)</u>
Investing Activities		
Proceeds from sale of short term deposits	8,815,446	9,297,780
Purchase of short term deposits	<u>(8,996,315)</u>	<u>(7,315,514)</u>
	<u>(180,869)</u>	<u>1,982,266</u>
Financing Activities		
Advances from related parties	<u>423,808</u>	<u>543,867</u>
Increase in cash during year	97,703	1,215,278
Cash, beginning of year	<u>8,743,935</u>	<u>7,528,657</u>
Cash, end of year	<u>\$ 8,841,638</u>	<u>\$ 8,743,935</u>

Westbank First Nation Local Government Services Summary of Significant Accounting Policies

March 31, 2016

Nature of Organization	The Westbank First Nation Local Government Services is operated under the jurisdiction of the Westbank First Nation to provide local government type services through collection of property taxes, bylaw enforcement, planning and development, parks and recreation, intergovernmental affairs, fees for utility services and operations and maintenance.														
Basis of Accounting	<p>Westbank First Nation Local Government Services follows Canadian generally accepted standards for local governments using financial reporting guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. These financial statements consolidate the assets, liabilities, revenues and expenses of all funds of the Westbank First Nation Local Government Services, but do not include all of the assets, liabilities, revenues and expenses of the Westbank First Nation. All interfund transfers within Westbank First Nations Local Government Services have been eliminated.</p> <p>The funds of Westbank First Nation Local Government Services are as follows:</p> <ul style="list-style-type: none">- General Operating Fund- General Capital Fund- Utility Operating Fund- Utility Capital Fund- Reserve Fund														
Short Term Deposits	Short term deposits are recorded at the lower of cost or market value. Cost and market value are similar as Westbank First Nation Local Government Services invests in GIC's.														
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded based on the estimated useful life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table><tr><td>Facility leases</td><td>10 - 14 years straight line basis</td></tr><tr><td>Automotive equipment</td><td>5 - 20 years straight line basis</td></tr><tr><td>Buildings</td><td>25 - 40 years straight line basis</td></tr><tr><td>Equipment, furniture and fixtures</td><td>3 - 35 years straight line basis</td></tr><tr><td>Roads and sidewalks</td><td>6 - 113 years straight line basis</td></tr><tr><td>Sewer systems</td><td>35 - 80 years straight line basis</td></tr><tr><td>Water systems</td><td>25 - 80 years straight line basis</td></tr></table>	Facility leases	10 - 14 years straight line basis	Automotive equipment	5 - 20 years straight line basis	Buildings	25 - 40 years straight line basis	Equipment, furniture and fixtures	3 - 35 years straight line basis	Roads and sidewalks	6 - 113 years straight line basis	Sewer systems	35 - 80 years straight line basis	Water systems	25 - 80 years straight line basis
Facility leases	10 - 14 years straight line basis														
Automotive equipment	5 - 20 years straight line basis														
Buildings	25 - 40 years straight line basis														
Equipment, furniture and fixtures	3 - 35 years straight line basis														
Roads and sidewalks	6 - 113 years straight line basis														
Sewer systems	35 - 80 years straight line basis														
Water systems	25 - 80 years straight line basis														

**Westbank First Nation
Local Government Services
Summary of Significant Accounting Policies**

March 31, 2016

Reserve Funds

Building Reserve Fund

Annual surplus funds from the operations of the recreation department may be set aside as a discretionary reserve, upon the approval of Chief and Council, with the intention of replacing current structures once sufficient funds are accumulated.

Capital Projects and Contingency Reserve Funds

Annual cash contributions of 10% of the budgeted annual gross taxation revenue are to be restricted in two separate funds and used only for capital projects and contingencies as authorized by bylaws. Interest earned from these contributions will remain in the appropriate reserve until expended.

Equipment Reserve Fund

Any surplus from the operations of the public works garage may be set aside in a separate reserve for the purpose of replacing vehicles and equipment in the public works department, upon the approval of Chief and Council.

Infrastructure Reserve Fund

Any surplus funds from the operations of the planning and development and engineering departments may be set aside in the infrastructure reserve. The funds in this reserve are to be used, upon the approval of Chief and Council, for urban infrastructure.

Stabilization Reserve Fund

Annual surpluses that are appropriated reserves are to be deposited to separate bank accounts and these monies, together with interest earned, can only be used for expenses as set out in the expenditure bylaws.

Leased Assets

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

**Westbank First Nation
Local Government Services
Summary of Significant Accounting Policies**

March 31, 2016

Revenue Recognition Taxation revenues are accrued and recorded during the year that the related taxes apply.

Sale of services and user fee revenues are recognized when the service or product is provided by Westbank First Nation Local Government Services.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

All other revenues are recognized as they are earned and collectability becomes reasonably assured.

Financial Instruments Westbank First Nation Local Government Services recognizes and measures financial assets and financial liabilities on the balance sheet 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 initial recognition. Financial instruments are subsequently measured at amortized cost or cost as Westbank First Nation Local Government Services has not entered into any derivative contracts and it does not hold any investments in equity instruments quoted on an active market. Since no financial instruments require fair market value adjustment after initial recognition, a statement of remeasurement gains and losses has not been presented in these financial statements.

Use of Estimates The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Deferred Development

Cost Charges

Development cost charges received for specific developments occurring on Westbank First Nation land which are restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year that the related expenses of the development are incurred.

Government Transfers Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

1. Cash

Included in cash and short term deposits are funds that Westbank First Nation Local Government Services, by way of resolution or passing of bylaws, has designated or internally restricted for the following specific purposes:

	2016	2015
Contingency and infrastructure reserve	\$ 11,833,032	\$ 10,433,816
Building, capital projects and equipment reserve	354,683	768,347
Stabilization reserve	2,400,860	2,462,935
Total restricted cash	14,588,575	13,665,098
Other cash and short term deposits	14,239,574	14,884,479
	<u>\$ 28,828,149</u>	<u>\$ 28,549,577</u>

Cash and short term deposits are represented by:

	2016	2015
Cash	\$ 8,841,638	\$ 8,743,935
Short term deposits (Note 2)	19,986,511	19,805,642
	<u>\$ 28,828,149</u>	<u>\$ 28,549,577</u>

The internally restricted bank accounts are underfunded in the amount of \$1,495,694 (2015 - \$1,902,065).

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

2. Short Term Deposits

Short term deposits are held in GIC's with the following terms:

	<u>2016</u>	<u>2015</u>
GIC's:		
Interest paid at 2.16%, maturing on December 16, 2016	\$ 1,006,068	\$ 984,797
Interest paid at 2.15%, maturing on August 2, 2016	1,043,462	1,021,500
Interest paid at 2.06%, maturing on March 26, 2017	846,086	846,086
Interest paid at 2.00%, maturing on October 3, 2016	10,981	10,765
Interest paid at 2.05%, maturing on July 31, 2017	1,020,500	1,000,000
Interest paid at 2.40%, maturing on October 27, 2016	881,271	860,617
Interest paid at 2.19%, maturing on October 28, 2020	825,158	806,606
Interest paid at 2.10%, maturing on July 24, 2017	1,124,281	1,124,281
Interest paid at 2.06%, maturing on May 1, 2017	1,022,000	1,022,000
Interest paid at 2.06%, maturing on April 3, 2017	588,714	588,714
Interest paid at 1.90%, maturing on September 13, 2017	672,421	-
Interest paid at 2.00%, maturing on December 31, 2018	1,570,560	-
Interest paid at 1.51%, maturing on January 14, 2017	1,564,511	-
Interest paid at 1.96%, maturing on August 6, 2020	1,023,693	-
Interest paid at 1.60%, maturing on December 29, 2017	900,000	-
Interest paid at 1.90%, maturing on October 1, 2017	553,585	-
Interest paid at 1.71%, maturing on April 24, 2017	422,358	-
Interest paid at 1.60%, maturing on April 17, 2017	1,464,029	-
Interest paid at 0.86%, maturing on April 10, 2016	514,933	-
Interest paid at 1.20%, maturing on March 5, 2018	505,500	-
Interest paid at 1.20%, maturing on March 5, 2018	606,600	-
Interest paid at 1.20%, maturing on February 5, 2018	606,600	-
Interest paid at 1.20%, maturing on February 5, 2018	1,213,200	-
Matured during the year	-	11,540,276
	<u>\$ 19,986,511</u>	<u>\$ 19,805,642</u>

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

3. Accounts Receivable

	2016	2015
Property taxes, interest and penalties	\$ 4,076,256	\$ 4,600,164
Utilities	642,952	598,569
Other	275,526	250,784
	4,994,734	5,449,517
Less: Provision for collection of taxes and utilities in dispute	517,575	1,154,310
	\$ 4,477,159	\$ 4,295,207

Collection action has commenced with respect to all taxes, interest and penalties in arrears, except for those accounts in jurisdictional dispute.

Westbank First Nation Local Government Services is in jurisdictional dispute with other taxation authorities over the right to assess and charge property taxes for certain parcels. The organization has chosen to provide an allowance for the collection of these property taxes and accumulated interest until these jurisdictional disputes have been resolved. Westbank First Nation Local Government Services has commenced legal action to determine the jurisdictional authority.

4. Due from (to) Related Parties and Related Party Transactions

The balance due from related parties is summarized as follows:

	2016	2015
Westbank First Nation Pine Acres	\$ 3,785	\$ 4,474
Westbank First Nation Non-Profit Housing	7,962	7,074
Trading Post	-	5,773
	\$ 11,747	\$ 17,321

The balance due to related parties is summarized as follows:

	2016	2015
Westbank First Nation	\$ (264,651)	\$ (361,612)
Wibco Construction Ltd.	(515,197)	-
	\$ (779,848)	\$ (361,612)

Included in utility receivables (Note 3) are related party balances of \$17,121 (2015 - \$33,007). These balances are non interest bearing, unsecured and have no specific terms of repayment.

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

4. Due from (to) Related Parties and Related Party Transactions (continued)

During the year, Westbank First Nation Local Government Services had the following transactions with related parties that were not disclosed separately on the financial statements as follows:

- (a) Transfers were made to Westbank First Nation in the amount of \$3,476,291 (2015 - \$3,249,037) for operating and capital expenditures from collected property tax revenue;
- (b) Transfers were made to Westbank First Nation in the amount of \$159,000 (2015 - \$168,250) for recreation, education and bylaw services;
- (c) Transfers were made to Westbank First Nation in the amount of \$155,120 (2015 - \$163,872) for administration and finance fees;
- (d) Transfers were made to Westbank First Nation in the amount of \$139,893 (2015 - \$138,820) for rent;
- (e) Westbank First Nation Local Government Services received water and sewer user fees of \$137,903 (2015 - \$133,697) from organizations controlled or owned by Westbank First Nation;
- (f) Westbank First Nation Local Government Services received operations and maintenance fees of \$274,739 (2015 - \$278,404) from organizations controlled or owned by Westbank First Nation;
- (g) Transfers were made from Westbank First Nation Taxation Program in the amount of \$27,349 (2015 - \$55,000) for specific programs in Westbank First Nation Local Government Services;
- (h) Transfers were made to (from) Westbank First Nation in the amount of \$(689,075) (2015 - \$73,938) for capital expenditures;
- (i) Westbank First Nation Local Government Services paid \$1,810,312 (2015 - \$68,429) in general contracting fees, which was recorded as part of a capital asset, for the completion of various projects to Wibco Construction Ltd., a government business enterprise of Westbank First Nation;
- (j) Of the funds received from the Indigenous and Northern Affairs Canada, \$Nil (2015 - \$3,750) was transferred to Sensisyusten School for the operation of the school;
- (k) Transfer to WFN in the amount of \$1,500 (2015 - \$Nil) for the Community Services Meal Program; and
- (l) Transfer from WFN lands program in the amount of \$43,000 (2015 - \$Nil) for planning and development.

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties).

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

5. Deferred Development Cost Charges

During the year, Westbank First Nation Local Government Services collected and distributed development cost charges as follows:

	<u>2016</u>	<u>2015</u>
Development cost charges, opening balance	\$ 9,443,728	\$ 9,719,810
Development cost charges received during the year	202,341	684,246
Interest earned on reserve	143,524	148,357
Contributions to projects	(710,842)	(1,108,685)
Development cost charges, closing balance	<u>\$ 9,078,751</u>	<u>\$ 9,443,728</u>

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

6. Tangible Capital Assets

2016

	Land	Automotive equipment	Buildings	Equipment, furniture and fixtures	Roads and sidewalks	Sewer systems	Water systems	Total
Cost, beginning of year	\$ 2,104,093	\$ 723,760	\$ 3,572,679	\$ 418,290	\$ 8,710,743	\$13,017,260	\$ 17,425,906	\$45,972,731
Additions	-	30,607	2,121,721	463,933	7,856,206	1,032,365	178,940	11,683,772
Cost, end of year	\$ 2,104,093	\$ 754,367	\$ 5,694,400	\$ 882,223	\$16,566,949	\$14,049,625	\$ 17,604,846	\$57,656,503
Accumulated amortization, beginning of year	\$ -	\$ 344,499	\$ 342,585	\$ 259,859	\$ 2,039,913	\$ 1,858,376	\$ 3,680,047	\$ 8,525,279
Amortization	-	110,118	135,579	34,633	393,673	197,320	297,736	1,169,059
Accumulated amortization, end of year	\$ -	\$ 454,617	\$ 478,164	\$ 294,492	\$ 2,433,586	\$ 2,055,696	\$ 3,977,783	\$ 9,694,338
Net carrying amount, end of year	\$ 2,104,093	\$ 299,750	\$ 5,216,236	\$ 587,731	\$14,133,363	\$11,993,929	\$ 13,627,063	\$47,962,165

Included in buildings are assets under construction amounting to \$2,091,649. As these assets are not yet available for use, no amortization has been taken.

During the year, assets of \$7,980,856 were contributed. These contributed assets are included in equipment, furniture and fixtures, roads and sidewalks and sewer systems above with the revenue reported in contributed assets.

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

6. Tangible Capital Assets (continued)

2015

	Land	Automotive equipment	Buildings	Equipment, furniture and fixtures	Roads and sidewalks	Sewer systems	Water systems	Total
Cost, beginning of year	\$ 2,104,093	\$ 551,246	\$ 2,342,553	\$ 381,177	\$ 7,883,349	\$12,452,243	\$ 16,815,367	\$42,530,028
Additions	-	172,514	1,230,126	37,113	827,394	565,017	610,539	3,442,703
Cost, end of year	\$ 2,104,093	\$ 723,760	\$ 3,572,679	\$ 418,290	\$ 8,710,743	\$13,017,260	\$ 17,425,906	\$45,972,731
Accumulated amortization, beginning of year	\$ -	\$ 240,503	\$ 208,208	\$ 244,137	\$ 1,836,592	\$ 1,672,802	\$ 3,391,259	\$ 7,593,501
Amortization	-	103,996	134,377	15,722	203,321	185,574	288,788	931,778
Accumulated amortization, end of year	\$ -	\$ 344,499	\$ 342,585	\$ 259,859	\$ 2,039,913	\$ 1,858,376	\$ 3,680,047	\$ 8,525,279
Net carrying amount, end of year	\$ 2,104,093	\$ 379,261	\$ 3,230,094	\$ 158,431	\$ 6,670,830	\$11,158,884	\$ 13,745,859	\$37,447,452

Included in buildings are assets under construction amounting to \$88,778. As these assets are not yet available for use, no amortization has been taken.

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

7. Accumulated Surplus

The Westbank First Nation Local Government Services segregates its accumulated surplus in the following categories:

	2016	2015
Investment in tangible capital assets	\$47,962,165	\$ 37,447,452
Financial equity		
Current fund	5,174,336	5,235,741
Capital fund	(39,223)	(39,223)
Reserve fund	16,084,269	15,567,163
	\$69,181,547	\$ 58,211,133

The investment in tangible capital assets represents amounts already spent and invested in infrastructure. Reserve funds represent funds set aside by the Chief and Council for specific purposes.

8. Expenses by Object

	Budget 2016	Actual 2016	Actual 2015
Amortization	\$ -	\$ 1,169,059	\$ 931,778
Bad debts	464,561	217,188	589,408
BC Assessment Authority	160,000	158,152	157,566
Fire protection agreement	1,323,985	1,388,114	1,236,958
Insurance	39,000	43,198	38,409
Materials, supplies and resources	515,697	507,250	362,880
Office and administration	419,020	348,227	356,724
Office lease	140,893	139,893	138,820
Professional fees	1,349,020	646,153	700,010
Repairs and maintenance	147,200	55,104	50,645
Service agreements	1,627,132	1,650,644	1,546,698
Taxation transfer to Westbank First Nation (Note 4a)	3,476,291	3,476,291	3,249,037
Telephone and utilities	251,810	214,012	224,058
Training	93,500	60,541	81,236
Transfers to related parties	159,000	159,000	172,000
Travel and promotion	125,750	70,487	68,056
Vehicles	228,612	224,106	231,312
Wages and benefits	3,066,019	2,804,566	2,854,453
	\$ 13,587,490	\$13,331,985	\$ 12,990,048

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

9. Commitments

- (a) Westbank First Nation Local Government Services entered into an agreement in 2007 with the Regional District of the Central Okanagan and the City of West Kelowna whereby the Regional District of the Central Okanagan and the City of West Kelowna agreed to supply certain local services to Westbank First Nation Local Government Services for an annual fee. The fee paid during the year was \$963,532 (2015 - \$906,429). This fee is adjusted based on a pro-rata share of the Regional District of the Central Okanagan annual budget for certain local services based on assessed value of lands and improvements of Westbank First Nation Local Government Services in comparison to that of the total areas serviced and remains in effect until March 31, 2022. Westbank First Nation Local Government Services has also entered into an agreement with the Regional District of the Central Okanagan for certain sewage services at rates equivalent to those that would be charged if the premises were located in the District.
- (b) Westbank First Nation Local Government Services has entered into an agreement with the City of West Kelowna for fire protection services at a pro-rata share of the area Fire Department's annual budget based on assessed value of lands and improvements of Westbank First Nation Local Government Services in comparison to that of the total area serviced. Subsequent to year end, a new agreement was signed and remains in effect until May 24, 2031. The fee paid during the year was \$1,388,114 (2015 - \$1,236,958).
- (c) Westbank First Nation Local Government Services has entered into a 20 year agreement for library services for all residents of Westbank First Nation Lands with the Okanagan Regional Library District. The fee paid for the year was \$345,752 (2015 - \$334,692). The agreement was signed January 1, 2011 and remains in effect until December 31, 2030.
- (d) Westbank First Nation Local Government Services enters annually into a contract for services with the BC Transit Authority to provide public transit services on reserve and throughout the Central Okanagan region. The annual agreement includes cost allocation based on the BC Transit annual budget. These costs are partially offset by a revenue sharing arrangement where a portion of actual transit fares and advertising revenues received are paid to WFN. The net cost of the service in 2016 was \$341,360 (2015 - \$305,577).

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

10. Financial Instrument Risk

Westbank First Nation Local Government Services holds various forms of financial instruments. The nature of these instruments and the Westbank First Nation Local Government Services' operations expose it to interest, credit and liquidity risks. Westbank First Nation Local Government Services manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Westbank First Nation Local Government Services is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations and from concentration of transactions carried out with the same counterparty.

Default Credit Risk

Westbank First Nation Local Government Services' exposure to credit risk is represented by certain accounts receivable. The credit risk relating to accounts receivable is managed by having formal policies in place to assess the credit worthiness of customers and ensure timely collection of outstanding balances. The following table summarizes the aging of accounts receivable which provides an indication of possible credit risk:

	Current	31 to 60 days	Over 60 days	2016 Total
Accounts receivable	\$ 590,494	\$ 193	\$ 28,378	\$ 619,065
Allowance for doubtful accounts	-	-	(5,736)	(5,736)
	\$ 590,494	\$ 193	\$ 22,642	\$ 613,329
	Current	31 to 60 days	Over 60 days	2015 Total
Accounts receivable	\$ 543,087	\$ 156	\$ 22,185	\$ 565,428
Allowance for doubtful accounts	-	-	(4,224)	(4,224)
	\$ 543,087	\$ 156	\$ 17,961	\$ 561,204

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

10. Financial Instrument Risk (continued)

Accounts receivable from government agencies, related parties and chartered financial institutions were not included in the above tables as management believes that they are not subject to default credit risk. Property taxes accruals were not included in the above tables as they are not due until early July and are generally not subject to credit risk since liens can be applied to real property. There have been no changes from the previous year of policies, procedures and methods to measure this risk.

Concentration of Credit Risk

As at March 31, 2016 and March 31, 2015, there were no counterparties holding more than 10% of net accounts receivables. Management believes that related party receivables and notes are not subject to default credit risk due to the tightly held nature of the group. There have been no changes from the previous year of policies, procedures and methods to measure this risk.

Liquidity Risk

Liquidity risk is the risk that the Westbank First Nation Local Government Services encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, Westbank First Nation Local Government Services will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities and commitments. The following table summarizes when financial obligations are due (other than commitments Note 9) which provides an indication of possible liquidity risk:

	Current	30 to 364 days	Over 1 year	2016 Total
Accounts payable and accrued liabilities	\$ 2,128,571	\$ -	\$ -	\$ 2,128,571
	Current	30 to 364 days	Over 1 year	2015 Total
Accounts payable and accrued liabilities	\$ 2,186,993	\$ -	\$ -	\$ 2,186,993

Managements has determined that the Westbank First Nation Local Government Services is not significantly exposed to liquidity risk given its strong operating cash flows and secured funding sources. There have been no changes from the previous year of policies, procedures and methods to measure the risk.

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

11. Pension Liability

Westbank First Nation Local Government Services and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 150 contributors from Westbank First Nation.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation as of December 31, 2012, indicated a \$1,370 million funding deficit for basic pension benefits.

Westbank First Nation Local Government Services paid \$129,655 (2015 - \$131,336) for employer contributions to the Plan in fiscal 2016. The next valuation will be as at December 31, 2015, with results available in 2016.

Employers participating in the Plan record their pension expense as the amount of the employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

12. Segmented Information

Westbank First Nation Local Government Services is a diversified municipal government entity in the province of British Columbia that provides a wide range of services to its citizens. Certain functional areas have been combined and separately disclosed in the segmented information. The segments and the services they provide are as follows:

	Parks, Recreation & Youth	Planning & Development	Building Permits	Law Enforcement	Public Works	WFN Taxation	WFN Utilities	LGS Administration	2016 Actual	Total 2016 Budget
Revenues										
Indigenous and Northern Affairs Canada	\$ -	\$ 30,600	\$ -	\$ -	\$ 135,000	\$ -	\$ 40,800	\$ -	\$ 206,400	\$ 206,400
Indigenous and Northern Affairs Canada - Contributions	-	-	-	350	-	-	-	-	350	-
Property taxes, net of home owner grant	-	-	-	-	-	11,511,697	-	-	11,511,697	11,685,188
Parks and recreation	(1,052)	-	-	-	-	-	-	-	(1,052)	(3,900)
Planning and development	-	733,803	285,709	-	-	-	-	56,244	1,075,756	353,000
Bylaw enforcement	-	-	-	80,595	-	-	-	-	80,595	69,500
Operations and maintenance	-	-	-	-	313,312	-	-	-	313,312	250,700
Water and sewer	-	-	-	-	-	-	1,523,535	-	1,523,535	1,417,648
Interest and penalties	-	-	-	-	-	167,361	1,264	-	168,625	155,000
Interest on investments	-	-	-	-	-	60,386	15,822	241,685	317,893	62,000
Other fundraising, donations, contributions and grants	61,669	37,500	-	-	201,625	29,300	19,945	8,038,825	8,388,864	360,129
Transfers from related parties	716,424	-	-	-	-	-	-	-	716,424	27,349
	777,041	801,903	285,709	80,945	649,937	11,768,744	1,601,366	8,336,754	24,302,399	14,583,014
Expenses										
Operating										
Goods and services (net)	172,993	483,216	12,796	105,799	521,739	3,687,975	699,211	39,340	5,723,069	6,886,180
Payroll	260,905	595,640	140,574	309,357	928,365	186,004	353,882	29,839	2,804,566	3,066,019
Amortization	-	-	-	-	-	-	-	1,169,059	1,169,059	-
Transfers to related parties	149,000	-	-	10,000	-	3,476,291	-	-	3,635,291	3,635,291
	582,898	1,078,856	153,370	425,156	1,450,104	7,350,270	1,053,093	1,238,238	13,331,985	13,587,490
Annual surplus (deficit)	\$ 194,143	\$ (276,953)	\$ 132,339	\$ (344,211)	\$ (800,167)	\$ 4,418,474	\$ 548,273	\$ 7,098,516	\$10,970,414	\$ 995,524

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

12. Segmented Information (continued)

	Parks, Recreation & Youth	Planning & Development	Building Permits	Law Enforcement	Public Works	WFN Taxation	WFN Utilities	LGS Administration	2015 Actual	Total 2015 Budget
Revenues										
Indigenous and Northern Affairs Canada	\$ -	\$ 30,600	\$ -	\$ -	\$ 118,529	\$ -	\$ 40,800	\$ -	\$ 189,929	\$ 189,929
Property taxes, net of home owner grant	-	-	-	-	-	11,129,926	-	-	11,129,926	11,200,252
Parks and recreation	16,059	-	-	-	-	-	-	-	16,059	12,000
Planning and development	-	1,083,449	332,628	-	-	-	-	120,332	1,536,409	315,000
Bylaw enforcement	-	-	-	83,644	-	-	-	-	83,644	79,500
Operations and maintenance	-	-	-	-	260,059	-	-	-	260,059	227,000
Water and sewer	-	-	-	-	-	-	1,477,469	-	1,477,469	1,382,100
Interest and penalties	-	-	-	-	-	158,031	1,821	-	159,852	152,200
Interest on investments	-	-	-	-	-	124,828	18,936	254,636	398,400	57,000
Other fundraising, donations and grants	2,978	130,000	-	-	188,646	27,685	19,945	98,933	468,187	235,791
Transfer from related parties	128,938	-	-	-	-	-	-	-	128,938	55,000
	147,975	1,244,049	332,628	83,644	567,234	11,440,470	1,558,971	473,901	15,848,872	13,905,772
Expenses										
Operating										
Goods and services (net)	139,002	509,873	15,365	116,649	492,120	3,775,263	706,010	33,499	5,787,781	6,348,621
Payroll	270,281	693,352	123,280	297,850	876,891	155,942	412,483	24,373	2,854,452	2,894,817
Amortization	-	-	-	-	-	-	-	931,778	931,778	807,000
Transfers to related parties	157,000	-	-	10,000	-	3,249,037	-	-	3,416,037	3,423,609
	566,283	1,203,225	138,645	424,499	1,369,011	7,180,242	1,118,493	989,650	12,990,048	13,474,047
Annual surplus (deficit)	\$ (418,308)	\$ 40,824	\$ 193,983	\$ (340,855)	\$ (801,777)	\$ 4,260,228	\$ 440,478	\$ (515,749)	\$ 2,858,824	\$ 431,725

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

12. Segmented Information (continued)

WFN Local Government Services (LGS) provides a wide range of services to WFN members and residents on WFN lands, including the services represented in the segmented information schedule. These services are funded through the LGS general fund via departments within the general fund, or via a separate fund in the case of WFN Taxation and Utilities. These funds and departments are established to deliver specific services to the community or to deliver internal services to the WFN Government to enable it to provide these services to the community.

Parks, Recreation and Youth

Parks, Recreation and Youth delivers sports, recreation, cultural and outdoor activities to the community and oversees the use of community facilities such as ball fields, soccer fields and the gymnasium. The WFN youth program provides community youth with challenging and entertaining activities to keep youth on a positive and productive track.

Planning and Development

Under the supervision of the WFN Civil engineer, the Planning and Development Department works with developers and Council to implement the WFN community and land use plans. It ensures that developments and developers meet the needs of the community, that all plans for development meet the requirements of the appropriate laws, and that the various stages of development are approved by Council before proceeding to the next stage.

Building Permits

This function reviews and approves new building on WFN lands, collecting permit fees based on the type and size of the building and then ensures that the building is built according to the permit, and to the BC building code. The Building Inspector inspects the building at various stages and issues an occupancy permit after final inspection is passed and signed off.

Law Enforcement

WFN Law Enforcement works to ensure compliance with all WFN laws and to ensure peace and order in the community. Law Enforcement also enforces WFN business licenses to ensure that all businesses on WFN lands are duly licensed and operating lawfully.

Public Works

Public Works is responsible for maintaining and upgrading WFN lands, roads, sidewalks and maintaining public building grounds, gardens and parking lots. It provides snow and garbage removal services to various facilities and provides maintenance and repair to WFN buildings.

**Westbank First Nation
Local Government Services
Notes to Financial Statements**

March 31, 2016

12. Segmented Information (continued)

WFN Taxation

Property Taxation is a separate fund that is used to ensure that funds collected under the WFN property tax system are collected, tracked and segregated according to the WFN Property Taxation bylaws and distributed according to the WFN Annual Expenditure and Rates bylaws as per the provisions of the WFN Property Tax Expenditure bylaw.

WFN Utilities

WFN Utilities oversees the delivery of water and sewer services and related infrastructure (reservoirs, processing plants, pipe lines, pump stations) to all water users on WFN lands. This department is required to meet all national standards for drinking water. Much of the sewer service and infrastructure is provided under a Local Services agreement with the Regional District of the Central Okanagan, with WFN Utilities overseeing all connections to this system.

LGS Administration

The LGS Administration Department oversees the general operation of the taxation department including property assessment, assessment appeals, budgeting, setting tax rates, administering annual property tax notices and collections, ensuring proper segregation and distribution of the property tax funds under the WFN by-laws and ensuring that all accounting, financial reporting and auditing is done according to the Property Taxation bylaws.

**Westbank First Nation
Local Government Services
Schedule 1 - Schedule of Current Fund Operations
(Unaudited)**

For the year ended March 31	Budget 2016	Actual 2016	Actual 2015
Revenues			
Indigenous and Northern Affairs Canada	\$ 206,400	\$ 206,400	\$ 189,929
Indigenous and Northern Affairs Canada - Contributions	-	350	-
Property taxes, net of home owner grant	11,685,188	11,511,697	11,129,926
Parks and recreation	(3,900)	(1,052)	16,059
Planning and development	353,000	1,075,756	1,536,409
Bylaw enforcement	69,500	80,595	83,644
Operations and maintenance	250,700	313,312	260,059
Water and sewer	1,395,800	1,523,535	1,477,469
Interest and penalties	155,000	168,625	159,852
Interest on investments	62,000	76,208	143,764
Other fundraising, donations and grants	360,129	350,039	369,254
Transfers from related parties	27,349	716,424	128,938
	<u>14,561,166</u>	<u>16,021,889</u>	<u>15,495,303</u>
Expenses			
General government services	8,906,828	7,753,923	7,826,555
Protective services	1,323,985	1,388,114	1,236,958
Transfers to other governments	1,787,132	1,808,796	1,704,264
Water and sewer	1,410,545	1,053,093	1,118,493
Transfers to related parties	159,000	159,000	172,000
	<u>13,587,490</u>	<u>12,162,926</u>	<u>12,058,270</u>
Net revenues	<u>973,676</u>	<u>3,858,963</u>	<u>3,437,033</u>
Net interfund transfers			
Contributions to Reserve Fund	(1,500,443)	(2,194,666)	(1,926,901)
Contributions from Reserve Fund	1,496,978	2,121,035	1,897,897
Contributions to Capital Fund	(118,822)	(3,846,737)	(3,586,176)
	<u>(122,287)</u>	<u>(3,920,368)</u>	<u>(3,615,180)</u>
Change in fund balance	2,348,367	(61,405)	(178,147)
Balance, beginning of year	<u>5,235,741</u>	<u>5,235,741</u>	<u>5,413,888</u>
Balance, end of year	<u>\$ 7,584,108</u>	<u>\$ 5,174,336</u>	<u>\$ 5,235,741</u>

**Westbank First Nation
Local Government Services
Schedule 2 - Schedule of Capital Fund Operations
(Unaudited)**

For the year ended March 31	Budget 2016	Actual 2016	Actual 2015
Revenue			
Contributed assets	\$ -	\$ 7,980,856	\$ -
Expenses			
Contributions for tangible capital assets	-	11,683,772	3,442,703
Net expense	-	(3,702,916)	(3,442,703)
Net interfund transfers			
Contributions from Current Fund	118,822	3,846,737	3,586,176
Contributions to Reserve Fund	-	(143,821)	(143,475)
	118,822	3,702,916	3,442,701
Change in fund balance	118,822	-	(2)
Balance, beginning of year	(39,223)	(39,223)	(39,221)
Balance, end of year	\$ 79,599	\$ (39,223)	\$ (39,223)

**Westbank First Nation
Local Government Services
Schedule 3 - Schedule of Reserve Fund Operations
(Unaudited)**

For the year ended March 31	Budget 2016	Actual 2016	Actual 2015
Revenue			
Interest	\$ -	\$ 241,685	\$ 254,636
Okanagan water basin grant	-	57,969	98,933
	-	299,654	353,569
Net interfund transfers			
Contributions from Current Fund	1,500,443	2,194,666	1,926,901
Contributions to Current Fund	(1,496,978)	(2,121,035)	(1,897,897)
Contributions from Capital Fund	-	143,821	143,475
	3,465	217,452	172,479
Change in fund balance	3,465	517,106	526,048
Balance, beginning of year	15,567,163	15,567,163	15,041,115
Balance, end of year	\$ 15,570,628	\$ 16,084,269	\$ 15,567,163
Summary of reserve fund positions			
Building Reserve Fund	\$ 179,514	\$ 100,263	
Contingency Reserve Fund	11,960,790	10,496,377	
Capital Projects Reserve Fund	737,698	1,376,057	
Equipment Reserve Fund	250,227	220,227	
Infrastructure Reserve Fund	1,133,552	1,006,096	
Stabilization Reserve Fund	1,822,488	2,368,143	
	\$ 16,084,269	\$ 15,567,163	

**Westbank First Nation Local Government Services
General Operating Fund
Exhibit A - Balance Sheet
(Unaudited)**

March 31	2016	2015
Assets		
Cash and short term deposits	\$ 12,658,678	\$ 13,546,256
Accounts receivable	3,758,515	3,605,607
Due from related parties	551,673	265,532
Due from Utility Operating Fund	15,843	-
Due from General Capital Fund	247,201	247,201
	<u>\$ 17,231,910</u>	<u>\$ 17,664,596</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 2,109,881	\$ 2,177,682
Deferred development cost charges	9,078,751	9,443,728
Prepaid property taxes	110,503	106,091
Due to Utility Capital Fund	784,710	784,710
Due to Reserve Fund	1,085,408	1,028,172
Due to Utility Operating Fund	-	150
	<u>13,169,253</u>	<u>13,540,533</u>
Equity		
Balance, beginning of the year	4,124,063	4,302,210
Deficit for the year	<u>(61,406)</u>	<u>(178,147)</u>
Balance, end of year	<u>4,062,657</u>	<u>4,124,063</u>
	<u>\$ 17,231,910</u>	<u>\$ 17,664,596</u>

Westbank First Nation Local Government Services
General Operating Fund
Exhibit B - Schedule of Revenue and Expenses
(Unaudited)

For the year ended March 31	2016	2015
Revenues		
Indigenous and Northern Affairs Canada	\$ 165,600	\$ 149,129
Indigenous and Northern Affairs Canada - Contributions	350	-
Property taxes, net of home owner grant	11,511,697	\$ 11,129,926
Parks and recreation	(1,052)	16,059
Planning and development	1,075,756	1,536,409
Bylaw enforcement	80,595	83,644
Operations and maintenance	313,312	260,059
Interest and penalties	167,361	158,031
Interest on investments	60,386	124,828
Other fundraising, donations and grants	330,094	349,309
Contributions from related parties	716,424	128,938
	14,420,523	13,936,332
Expenses		
Bad debts	215,676	592,355
BC Assessment Authority	158,152	157,566
Fire protection agreement	1,388,114	1,236,958
Materials, supplies and resources	360,408	286,318
Office and administration	266,068	294,784
Professional fees	501,861	490,253
Service Agreements	1,650,644	1,546,698
Office lease	114,493	113,420
Repairs and maintenance	36,297	28,198
Telephone and utilities	38,244	41,076
Training	30,892	32,578
Taxation transfers to Westbank First Nation	3,476,291	3,249,037
Travel and promotion	65,833	58,322
Vehicles	197,177	198,245
Wages and benefits	2,450,683	2,441,969
Other transfers to related parties	159,000	172,000
	11,109,833	10,939,777
Net revenues over expenses	3,310,690	2,996,555
Transfers from (to) funds		
Contributions from Capital Projects Fund	2,121,035	1,897,897
Contributions to Contingency Fund	(1,270,000)	(881,771)
Contributions to Capital Projects Fund	(1,270,000)	(1,240,000)
Contributions to Utility Capital Fund	(2,444,748)	(2,549,156)
Contributions to General Capital Fund	(1,401,990)	(952,408)
Contributions from Stabilization Fund	582,041	228,372
Contributions from Utility Operating Fund	50,000	50,000
Contributions from other Reserve Funds	261,566	272,364
	(3,372,096)	(3,174,702)
Deficit for the year	\$ (61,406)	\$ (178,147)

Westbank First Nation Local Government Services
General Capital Fund
Exhibit C - Balance Sheet
(Unaudited)

March 31	2016	2015
Assets		
Property and equipment, net of amortization		
Automotive	\$ 299,752	\$ 379,263
Building	123,750	130,350
Equipment, furniture and fixtures	587,731	158,431
Land	2,104,093	2,104,093
Roads and sidewalks	<u>14,133,363</u>	<u>6,670,830</u>
	<u>\$ 17,248,689</u>	<u>\$ 9,442,967</u>
Liabilities		
Due to General Operating Fund	<u>\$ 247,201</u>	<u>\$ 247,201</u>
Equity		
Balance, beginning of year	9,195,766	8,488,385
Assets acquired by transfers from own source funds		
General Operating Fund	1,401,990	952,408
Utility Operating Fund	-	84,613
Contributed assets	6,948,756	-
Amortization	<u>(545,024)</u>	<u>(329,640)</u>
Balance, end of year	<u>17,001,488</u>	<u>9,195,766</u>
	<u>\$ 17,248,689</u>	<u>\$ 9,442,967</u>

**Westbank First Nation Local Government Services
Utility Operating Fund
Exhibit D - Balance Sheet
(Unaudited)**

March 31	2016	2015
Assets		
Cash and short term deposits	\$ 1,580,896	\$ 1,338,223
Accounts receivable	637,215	594,345
Due from General Operating Fund	-	150
	<u>\$ 2,218,111</u>	<u>\$ 1,932,718</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 18,690	\$ 9,310
Due to related parties	814,982	538,819
Due to General Operating Fund	15,843	-
Due to Reserve Fund	256,918	272,911
	<u>1,106,433</u>	<u>821,040</u>
Equity		
Balance, beginning of year	1,111,678	1,111,678
Surplus/Deficit for the year	-	-
Balance, end of year	<u>1,111,678</u>	<u>1,111,678</u>
	<u>\$ 2,218,111</u>	<u>\$ 1,932,718</u>

Westbank First Nation Local Government Services
Utility Operating Fund
Exhibit E - Schedule of Revenue and Expenses
(Unaudited)

For the year ended March 31	2016	2015
Revenues		
Indigenous and Northern Affairs Canada	\$ 40,800	\$ 40,800
Water and sewer fees	1,523,535	1,477,469
Other	19,945	19,945
Interest and penalties	1,264	1,821
Interest income	15,822	18,936
	<u>1,601,366</u>	<u>1,558,971</u>
Expenses		
Bad debts recovery	1,511	(2,947)
Insurance	43,198	38,409
Materials, supplies and resources	146,842	76,562
Office and administration	82,161	61,941
Professional fees	144,291	209,757
Office lease	25,400	25,400
Telephone and utilities	175,768	182,982
Training	29,649	48,658
Travel and promotion	4,655	9,734
Vehicles	26,929	33,068
Wages and benefits	353,882	412,483
Repairs and maintenance	18,807	22,446
	<u>1,053,093</u>	<u>1,118,493</u>
Excess of revenues over expenses	548,273	440,478
Net interfund transfers		
Contributions to Reserve Fund	(498,273)	(305,865)
Contributions to General Capital Fund	-	(84,613)
Contributions to General Operating Fund	(50,000)	(50,000)
	<u> </u>	<u> </u>
Surplus/Deficit for the year	\$ -	\$ -

**Westbank First Nation Local Government Services
Utility Capital Fund
Exhibit F - Balance Sheet
(Unaudited)**

March 31	2016	2015
Assets		
Property and equipment		
Sewer systems	\$ 11,993,929	\$ 11,158,884
Water systems	13,627,063	13,745,858
Buildings	<u>5,092,486</u>	<u>3,099,745</u>
	30,713,478	28,004,487
Due from General Operating Fund	<u>784,710</u>	<u>784,710</u>
	<u>\$ 31,498,188</u>	<u>\$ 28,789,197</u>
Liabilities		
Due to Reserve Fund	<u>\$ 576,730</u>	<u>\$ 576,730</u>
Equity		
Balance, beginning of year	28,212,467	26,408,924
Assets acquired by transfer from own source funds		
General Operating Fund	2,444,748	2,549,156
Contributions to Capital Projects Reserve	(143,821)	(143,475)
Contributed assets	1,032,100	-
Amortization	<u>(624,036)</u>	<u>(602,138)</u>
Balance, end of year	<u>30,921,458</u>	<u>28,212,467</u>
	<u>\$ 31,498,188</u>	<u>\$ 28,789,197</u>

**Westbank First Nation Local Government Services
Reserve Fund
Exhibit G - Balance Sheet
(Unaudited)**

March 31	2016	2015
Assets		
Cash and short term deposits	\$ 14,588,575	\$ 13,665,098
Accounts receivable	81,430	95,257
Due from General Operating Fund	1,085,408	1,028,172
Due from Utility Capital Fund	576,730	576,730
Due from Utility Operating Fund	256,918	272,911
	<u>\$ 16,589,061</u>	<u>\$ 15,638,168</u>
Liabilities		
Due to related party	<u>\$ 504,792</u>	<u>\$ 71,005</u>
Equity		
Building Reserve	179,514	100,263
Contingency Reserve	11,960,790	10,496,377
Capital Projects Reserve	737,698	1,376,057
Equipment Reserve	250,227	220,227
Infrastructure Reserve	1,133,552	1,006,096
Stabilization Reserve	1,822,488	2,368,143
	<u>16,084,269</u>	<u>15,567,163</u>
	<u>\$ 16,589,061</u>	<u>\$ 15,638,168</u>

**Westbank First Nation Local Government Services
Reserve Fund
Exhibit H - Transactions
(Unaudited)**

For the year ended March 31

2016

	Balance beginning of year	From Capital Fund	Grants Allocated to Reserves	From (to) General Operating Fund	Interfund Transfers	Interest earned	Bylaw expenditures	Balance end of year
Building	\$ 100,263	\$ -	\$ -	\$ 79,251	\$ -	\$ -	\$ -	\$ 179,514
Contingency	10,496,377	-	-	1,270,000	-	194,413	-	11,960,790
Capital Projects	1,376,057	143,821	57,969	1,270,000	-	10,886	(2,121,035)	737,698
Equipment	220,227	-	-	30,000	-	-	-	250,227
Infrastructure	1,006,096	-	-	127,456	-	-	-	1,133,552
Stabilization	2,368,143	-	-	(582,041)	-	36,386	-	1,822,488
Total	\$ 15,567,163	\$ 143,821	\$ 57,969	\$ 2,194,666	\$ -	\$ 241,685	\$ (2,121,035)	\$16,084,269