

Richard George - Tsleil-Waututh Nation (0549) - amended audited financial statements

From: Isadora Goh <igoh@rhncga.com>
To: "Richard.George@aandc-aadnc.gc.ca" <Richard.George@aandc-aadnc.gc.ca>
Date: 8/11/2014 1:57 PM
Subject: Tsleil-Waututh Nation (0549) - amended audited financial statements
CC: David Ko <dko@twnation.ca>
Attachments: Tsleil 0549 - revised 2014 audited financial statements.pdf

Hello Richard,

Subsequent to the issuance of the 2014 audited financial statements for Tsleil-Waututh Nation we noted that one of the consolidated entities required revisions. We have now revised the audited statements for the Tsleil-Waututh First Nation Negotiation Agreement and as a result have also revised the audited financial statements for Tsleil-Waututh Nation.

Please find attached a copy of the amended consolidated financial statements for Tsleil-Waututh Nation. Another email with the amended Annex A is to follow due to email size restrictions.

As previously discussed, we also noted that the 'Expenditures by Object' note was excluded from the original audit submission and has now been included in the consolidated financial statements as Note 18.

If you have any questions, please feel free to contact me directly.

Thank you,

Isadora Goh, BBA, CPA, CGA

Manager, Client Services

REID HURST NAGY INC.
 Certified General Accountants

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TSLEIL-WAUTUTH NATION

FINANCIAL STATEMENTS

March 31, 2014

TSLEIL-WAUTUTH NATION

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TSLEIL-WAUTUTH NATION

March 31, 2014

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Tsleil-Waututh Nation are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. 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 consolidated financial statements are presented fairly, in all material respects.

The Tsleil-Waututh 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 Nation's assets are appropriately accounted for and adequately safeguarded.

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

The Tsleil-Waututh Nation Council reviews the First Nation's financial statements and recommends their approval. The Tsleil-Waututh Nation 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 financial statements and the external auditor's report. The Tsleil-Waututh Nation Council also reviews and considers for approval by the Members, the engagement of the external auditors.

The accompanying financial statements have been audited by Reid Hurst Nagy Inc., Certified General Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Reid Hurst Nagy Inc. has full and free access to the books and records of the First Nation and the Tsleil-Waututh Nation Council.



Councilor



Councilor

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INDEPENDENT AUDITORS' REPORT

TSLEIL-WAUTUTH NATION

Report on the financial statements

We have audited the accompanying consolidated financial statements of Tsleil-Waututh Nation, which comprise the consolidated statement of financial position as at March 31, 2014, the consolidated statements of operations, 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 consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Tsleil-Waututh Nation as at March 31, 2014, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of Matter

We draw attention to Note 20 to the financial statements, which describes the changes made to these financial statements subsequent to their original issuance with an auditor's report dated July 29, 2014. Our opinion is not qualified in respect to this matter.

REID HURST NAGY INC.
CERTIFIED GENERAL ACCOUNTANTS

RICHMOND, B.C.
AUGUST 11, 2014

TSLEIL-WAUTUTH NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
March 31, 2014

Statement 1

| | 2014 | 2013 |
|---|-------------------|-------------------|
| | \$ | \$ |
| FINANCIAL ASSETS | | |
| Cash and cash equivalents | 4,123,020 | 6,308,718 |
| Funds held in trust - Olympic Legacy Trust | 19,420,373 | 18,363,086 |
| Restricted cash (Note 4) | 525,963 | 445,217 |
| Accounts receivable (Note 20) | 1,518,176 | 896,478 |
| Due from employees (Note 5) | 20,390 | 10,006 |
| Goods and services/harmonized sales tax receivable | 29,453 | 9,865 |
| Due from Band owned companies | 1,948,449 | 1,908,239 |
| Mortgage receivable | 4,809 | 7,371 |
| Funds held for band members | 297,080 | 283,547 |
| Deferred Treaty Commission Expenses (Note 20) | 7,013,966 | 6,667,357 |
| Investment in First Nation Controlled Entities (Note 6) | 5,411,276 | 9,658,818 |
| Due from Wolf Clan Development Company Ltd. (Note 7) | 120 | 120 |
| Due from SPAL General Constructors Limited Partnership (Note 7) | 2,000 | 2,000 |
| Loans receivable (Note 8) | 12,985,760 | 3,003,911 |
| | 53,300,835 | 47,564,733 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 217,135 | 91,006 |
| Payroll deductions payable | 16,446 | 12,985 |
| Wages payable | 72,593 | 48,943 |
| Trust liability to band members | 297,080 | 283,547 |
| Long-term debt (Note 9) | 11,728,055 | 11,375,200 |
| | 12,331,309 | 11,811,681 |
| NET FINANCIAL ASSETS | 40,969,526 | 35,753,052 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Notes 2 and 10) | 15,106,389 | 14,578,782 |
| Prepaid expenses | 17,580 | 126,512 |
| Deposits | 275,000 | - |
| Inventory | 23,037 | 32,070 |
| | 15,422,006 | 14,737,364 |
| MEMBERS' EQUITY (Notes 2 and 11) | 56,391,532 | 50,490,416 |

APPROVED ON BEHALF OF TSLEIL-WAUTUTH NATION

 Councilor

 Councilor

TSLEIL-WAUTUTH NATION
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended March 31, 2014

Statement 2

| | 2014 \$ | 2013 \$ |
|---|-------------------|-------------------|
| REVENUE | | |
| Aboriginal Affairs & Northern Development Canada | 2,510,598 | 2,098,197 |
| All Nations Trust | 290,699 | 248,356 |
| Enterprise Fund revenue | 1,944,443 | 3,727,295 |
| Enterprise revenue | 5,707,824 | 1,825,901 |
| First Nations Education Steering Committee | 38,187 | 58,752 |
| First Nations Employment Society | 32,816 | 32,816 |
| First Nations Goods and Services Tax | 2,041,260 | 1,973,788 |
| Fisheries and Oceans Canada | 80,500 | 127,000 |
| Olympic Legacy Trust Agreement Fund | 1,152,311 | 874,622 |
| Health Canada/First Nations Health Authority (Note 13) | 649,523 | 444,802 |
| Canada Post | - | 3,623,909 |
| Interest | 27,094 | 29,224 |
| Miscellaneous | 2,144,046 | 2,001,451 |
| Ottawa Trust Fund | 4,066 | 2,508 |
| Property taxes, permits and inspections | 2,209,848 | 1,859,721 |
| Province of B.C. | 8,684,306 | 581,921 |
| Social Housing | 624,717 | 624,905 |
| Treaty negotiations support agreement | 225,105 | 149,816 |
| Capital fund additions (Note 2) | 1,340,368 | 1,966,434 |
| | 29,707,711 | 22,251,418 |
| EXPENDITURES | | |
| Administration | 5,850,352 | 4,711,425 |
| Public Works | 2,502,867 | 1,877,280 |
| Treaty, Lands and Resources | 1,649,411 | 1,527,030 |
| Community Development | | |
| - General | 238,137 | 152,447 |
| - Education | 1,693,996 | 1,666,522 |
| - Health | 362,749 | 265,505 |
| - Social development | 580,094 | 577,782 |
| Economic Development | 2,959,418 | 1,675,412 |
| Social housing | 597,681 | 701,363 |
| Treaty negotiation support agreement (Note 20) | 225,105 | 149,816 |
| Ottawa trust fund | 4,019 | 3,887 |
| Enterprise Fund | 1,877 | 7,425 |
| Capital Fund | 563,637 | 544,656 |
| Olympic Legacy Trust Agreement | 95,024 | 100,745 |
| | 17,324,367 | 13,961,295 |
| ANNUAL EXCESS (SHORTFALL) OF REVENUE over expenditures, before | 12,383,344 | 8,290,123 |

Continued on next page

TSLEIL-WAUTUTH NATION
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended March 31, 2014

Statement 2
(continued)

| | 2014 \$ | 2013 \$ |
|---|---------------------|------------------|
| ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES, before | 12,383,344 | 8,290,123 |
| Enterprise Fund - net increase in equity | 3,790,322 | - |
| Enterprise Fund transfer to Capital Fund - Takaya Golf Centre | - | (541,648) |
| Operating Fund - loan proceeds invested in tangible capital assets | (290,699) | - |
| Operating Fund - reduction of long term loan receivable | 1,003,911 | - |
| Operating Fund transfer to Enterprise Fund - Takaya Golf Centre | - | (157,649) |
| Operating Fund transfer to Enterprise Fund - long term loans receivable | (10,985,762) | - |
| Social Housing Fund - net reductions to Equity in Housing Facilities | - | (110,535) |
| Social Housing Fund transfer to Capital Fund - matured units | - | (393,013) |
| ANNUAL EXCESS (SHORTFALL) OF REVENUE over expenditures | 5,901,116 | 7,087,278 |

The notes to the financial statements are an integral part thereof.

TSLEIL-WAUTUTH NATION
CONSOLIDATED STATEMENT OF OF CHANGE IN NET FINANCIAL ASSETS
March 31, 2014

Statement 3

| | 2014 | 2013 |
|---|--------------------|--------------------|
| | \$ | \$ |
| ANNUAL EXCESS (SHORTFALL) OF REVENUE over expenditures | 5,901,116 | 7,087,278 |
| Acquisition of tangible capital assets | (1,340,368) | (1,773,810) |
| Amortization of tangible capital assets | 812,761 | 809,540 |
| | 5,373,509 | 6,123,008 |
| Change in prepaid expenses | 108,932 | (1,949) |
| Change in deposits | (275,000) | - |
| Change in inventory | 9,033 | 7,892 |
| NET CHANGE IN NET FINANCIAL ASSETS | 5,216,474 | 6,128,951 |
| NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR | 35,753,052 | 29,624,101 |
| NET FINANCIAL ASSETS AT END OF THE YEAR | 40,969,526 | 35,753,052 |

The notes to the financial statements are an integral part thereof.

TSLEIL-WAUTUTH NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
March 31, 2014

Statement 4

| | 2014 | 2013 |
|--|--------------------|-------------|
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenue over expenditures | 5,901,116 | 7,087,278 |
| Non-cash items: | | |
| Share of (income) loss of First Nation Controlled Entities | (1,943,986) | (3,377,087) |
| Depreciation | 812,761 | 809,540 |
| Changes in operating net assets | (695,674) | (186,194) |
| | 4,074,217 | 4,333,537 |
| FINANCING ACTIVITIES | | |
| Loan advances | 356,320 | 356,320 |
| Loan proceeds received | 290,699 | 1,429,976 |
| Repayment of long-term debt | (45,333) | (109,479) |
| Repayment of Social Housing long-term debt | (248,831) | (264,510) |
| | 352,855 | 1,412,307 |
| INVESTING ACTIVITIES | | |
| Increase in deferred treaty expenses | (346,609) | (319,617) |
| Mortgage receivable repayments | 2,562 | 2,381 |
| Net increase in Enterprise Fund investments | (3,790,322) | - |
| Purchase of tangible capital assets | (1,340,368) | (1,773,810) |
| | (5,474,737) | (2,091,046) |
| CHANGES IN CASH DURING YEAR | (1,047,665) | 3,654,798 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 25,117,021 | 21,462,223 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 24,069,356 | 25,117,021 |
| REPRESENTED BY: | | |
| Cash and cash equivalents | 4,123,020 | 6,308,718 |
| Funds held in trust - Olympic Legacy Trust | 19,420,373 | 18,363,086 |
| Restricted Cash | 525,963 | 445,217 |
| | 24,069,356 | 25,117,021 |

The notes to the financial statements are an integral part thereof.

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

a) Fund Accounting

The Tsleil-Waututh Nation 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 consolidated financial statements. Details of the operations of each fund are set out in the supplementary schedules. The First Nation maintains the followings funds:

- The Operating Fund which reports the general activities of the First Nation Administration.
- The Capital Fund which reports the capital assets of the First Nation, together with their related financing.
- The Social Housing Fund which reports the social housing assets of the First Nation, together with related activities.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.
- The Enterprise Fund which reports the First Nation's investments in related entities.
- The Negotiation Support Agreement Fund which reports the First Nation's activities related to treaty negotiations.
- The Olympic Legacy Trust Agreement Fund which reports the First Nation's activities related to The Tsleil-Waututh Olympic Legacy Trust.

b) Reporting Entity and Principles of Financial Reporting

The Tsleil-Waututh Nation reporting entity includes the Tsleil-Waututh Nation 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 operations for the following entities which use accounting principles which lend themselves to combination:

- Tsleil-Waututh Nation Operating Fund
- Tsleil-Waututh Nation Social Housing Fund
- Tsleil-Waututh Nation Capital Fund
- Tsleil-Waututh Nation Trust Fund
- Tsleil-Waututh Nation Negotiation Support/Agreement Fund
- Tsleil-Waututh Nation Olympic Legacy Trust Agreement Fund
- Tsleil-Waututh Nation Enterprise Fund
 - Takaya Developments
 - Takaya Developments Limited Partnership
 - Takaya Developments (2007) Limited Partnership
 - Takaya Developments (Destiny) Limited Partnership
 - Inlailawatash Forestry Limited Partnership
 - SPAL General Constructors Limited Partnership
 - Salish Seas Fisheries Limited Partnership
 - Qwi:qwelstom Development Limited Partnership
 - Income of incorporated entities

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

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Reporting Entity and Principles of Financial Reporting (continued)

Business entities, which are owned or controlled by the Tsleil-Waututh Nation Council and which are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. These include:

- Inlailawatash Forest Products Ltd. (100%)
- Inlailawatash Holding Company Ltd. (100%)
- Qwi:qwelstom Development GP Corporation (100%)
- SPAL General Constructors Corporation (owned 100% by Tsleil Waututh Nation Development Company Ltd.)
- Takaya Developments Ltd. (owned 100% by Wolf Clan Development Company Ltd.)
- Takaya Holdings Ltd. (100%) (Bare trust for Takaya Developments)
- Takaya Tours Inc. (100%)
- Tsleil Waututh Nation Development Company Ltd. (100%)
- TWN Renewable Energy Holdings Ltd. (100%)
- TWN Wind Power Inc. (owned 100% by TWN Renewable Energy Holdings Ltd.)
- Wolf Clan Development Company Ltd. (100%)
- 0931702 B.C. Ltd. (100%)
- Takaya Developments Limited Partnership (99.9% Limited Partner)
- Takaya Developments (2007) Limited Partnership (99.9% Limited Partner)
- Takaya Developments (Destiny) Limited Partnership (99.9% Limited Partner)
- Inlailawatash Forestry Limited Partnership (99% Limited Partner)
- SPAL General Constructors Limited Partnership (99.99% Limited Partner)
- Qwi:qwelstom Development Limited Partnership (99.99% Limited Partner)
- Tsleil Waututh Health & Fitness Society (Not activated yet)
- Takaya Golf Centre Ltd. (Not activated yet)
- Takaya Ventures Ltd. (100%) (Not activated yet)

c) Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed and do not provide resources to discharge existing operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses, deposits and inventory.

d) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful lives extend beyond one year and which are intended to be used on an ongoing basis for producing goods and delivering services. Tangible capital assets are recorded at net book value.

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 Fund with a corresponding increase in Tangible Capital Assets and Equity.

Tangible capital assets are depreciated annually with a resulting reduction of Equity in Tangible Capital Assets.

Tangible capital assets acquired as part of the Social Housing Fund and Enterprise Fund are recorded as assets of those funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Depreciation

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

| | |
|----------------------------|---------------------------|
| Automobiles | 4-10 years straight-line |
| Buildings and improvements | 20-40 years straight-line |
| General equipment | 4-10 years straight-line |
| Roads and infrastructure | 20-80 years straight-line |

Assets under construction are not depreciated until they are available for use.

Social Housing assets acquired under C.M.H.C. sponsored housing programs are being depreciated in an amount equal to the principal reduction of the mortgages.

f) Inventory

Inventory is recorded at the lower of cost and net realizable value and recorded on a first-in, first out basis.

g) Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates 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.

h) Net Assets

The First Nation's financial statements are presented so as to highlight net assets as the measurement of financial position. The net assets of the First Nation are determined by its financial assets less its liabilities. Net assets are comprised of two components: non-financial assets and accumulated surplus.

i) Budget Figures

Budget amounts have been derived from the official budget adopted by Council at the beginning of the current year. The budget figures have not been subject to any audit verification.

j) Use of Accounting Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reporting amount of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates related to the value of tangible capital assets, useful lives for depreciation, determination of provisions for accrued liabilities and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the consolidated financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

k) Segment Disclosures

A segment is defined as a distinguishable activity of group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The First Nation has provided definitions of segments used as well as presented financial information in segment format (Note 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 2: CHANGE IN ACCOUNTING POLICY

The First Nation has implemented Public Sector Accounting Handbook Sections 1200 *Financial Statement Presentation*, and 3150 *Tangible Capital Assets*. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements.

Methods used for determining the cost of each major category of tangible capital assets

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical costs were not available, other methods were used to estimate the costs and accumulated depreciation of the assets. The First Nation applied a consistent method of estimating the replacement cost of the tangible capital assets for which it did not have historical costs records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement cost, the Consumer Price Index was used as a resource for determining appropriate indices in order to deflate the replacement cost to an estimate historical cost at the year of acquisition.

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior year as follows:

MEMBERS' EQUITY AT APRIL 1, 2012

| | \$ |
|---|-------------------|
| Social Housing Fund | (610,532) |
| Trust Fund | 112,811 |
| Enterprise Fund | 9,456,088 |
| First Nation Negotiation Support Agreement Fund | - |
| Olympic Legacy Trust Agreement Fund | 17,589,209 |
| Operating Fund | 8,603,511 |
| Capital Fund | 2,443,290 |
| TOTAL EQUITY, as previously reported | 37,594,377 |
| Less: capital assets previously recorded | (7,805,751) |
| Add: net book value of tangible capital assets recorded | 13,614,513 |
| TOTAL EQUITY, as restated | 43,403,139 |

NOTE 3: FUNDING AGREEMENT

The First Nation receives a major portion of its revenues pursuant to an agreement with Aboriginal Affairs and Northern Development Canada (AANDC).

NOTE 4: TRUST FUNDS

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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

As at the year end date, \$111,479 of trust fund monies are presented in 'Restricted cash'.

NOTE 5: DUE FROM EMPLOYEES

Amounts due from employees are non-interest bearing and are repaid through payroll deductions.

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 6: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES

| | 2014 \$ | 2013 \$ |
|--|------------|------------|
| INLAILAWATASH FOREST PRODUCTS LTD. (100%) | | |
| Shares | 3 | 3 |
| Accumulated equity in earnings | (7,313) | (6,371) |
| | (7,310) | (6,368) |
| INLAILAWATASH FORESTRY LIMITED PARTNERSHIP (99.9% LIMITED PARTNER) | | |
| Accumulated equity in earnings | 609,447 | 250,397 |
| INLAILAWATASH HOLDING COMPANY LTD. (100%) | | |
| Shares | 3 | 3 |
| Contributed surplus | 1,059,338 | 1,059,338 |
| Accumulated equity in earnings | (98,012) | (83,595) |
| | 961,329 | 975,746 |
| QWI:QWELSTOM DEVELOPMENT GP CORPORATION (100%) | | |
| Shares | 1 | - |
| Advances | 249 | - |
| Accumulated equity in earnings | (249) | - |
| | 1 | - |
| QWI:QWELSTOM DEVELOPMENT LIMITED PARTNERSHIP (99.99% LIMITED PARTNER) | | |
| Equity contribution | 100 | - |
| Accumulated equity in earnings | 11,568 | - |
| | 11,668 | - |
| SALISH SEAS FISHERIES LIMITED PARTNERSHIP (33.33% LIMITED PARTNER) | | |
| Distribution | (25,000) | (25,000) |
| Equity contribution | - | 27,001 |
| Accumulated equity in earnings | 236,644 | 169,597 |
| | 211,644 | 171,598 |
| SPAL GENERAL CONSTRUCTORS LIMITED PARTNERSHIP (99.9% LIMITED PARTNER) | | |
| Accumulated equity in earnings | 187,596 | 23,171 |

Continued

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 6: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES (continued)

| | 2014 \$ | 2013 \$ |
|--|-------------|------------|
| TAKAYA DEVELOPMENTS LIMITED PARTNERSHIP (99.9% LIMITED PARTNER) | | |
| Accumulated equity in earnings | 12,952 | 4,273,602 |
| TAKAYA DEVELOPMENTS (2007) LIMITED PARTNERSHIP (99.9% LIMITED PARTNER) | | |
| Accumulated equity in earnings | 198,835 | 2,222,514 |
| TAKAYA DEVELOPMENTS (DESTINY) LIMITED PARTNERSHIP (99.9% LIMITED PARTNER) | | |
| Accumulated equity in earnings | 5,409,018 | 2,206,717 |
| TAKAYA HOLDINGS LTD. (100%) | | |
| Shares | 4 | 4 |
| TAKAYA TOURS INC. (100%) | | |
| Shares | 5 | 5 |
| Contributed surplus | 697,291 | 509,093 |
| Accumulated equity in earnings | (917,012) | (926,899) |
| | (219,716) | (417,801) |
| TAKAYA VENTURES LTD. (100%) | | |
| Shares | 2 | 2 |
| TSLEIL WAUTUTH NATION DEVELOPMENT COMPANY LTD. (100%) | | |
| Shares | 2 | 2 |
| Advances | 7,209 | 6,194 |
| Accumulated equity in earnings | (13,295) | (10,886) |
| | (6,084) | (4,690) |
| TWN RENEWABLE ENERGY HOLDINGS LTD. (100%) | | |
| Shares | 3 | 3 |
| Advances | 257 | - |
| Accumulated equity in earnings | (1,976,774) | - |
| | (1,976,514) | 3 |
| WOLF CLAN DEVELOPMENT COMPANY LTD. (100%) | | |
| Shares | 2 | 2 |
| Advances | 1,073 | 58 |
| Accumulated equity in earnings | 18,016 | (35,805) |
| | 19,091 | (35,745) |

Continued

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 6: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES (continued)

| | 2014 | 2013 |
|---------------------------------|------------------|------------------|
| | \$ | \$ |
| 0931702 B.C. Ltd. (100%) | | |
| Shares | 1 | 1 |
| Accumulated equity in earnings | (688) | (333) |
| | (687) | (332) |
| TOTAL | 5,411,276 | 9,658,818 |

Shares are held in trust by specified Band members under trust agreements.

Financial information for each of the entities for their respective periods ending in 2014 are as follows:

| | ASSETS | LIABILITIES | REVENUE | NET INCOME |
|--|------------------|--------------------|----------------|--------------------|
| | \$ | \$ | \$ | (LOSS) |
| | | | | \$ |
| Year ended March 31/14 | | | | |
| Inlailawatash Forest Products Ltd. | 951 | 8,261 | 359 | (942) |
| Year ended March 31/14 | | | | |
| Inlailawatash Holding Company Ltd. | 1,157,670 | 196,341 | - | (14,417) |
| Year ended March 31/14 | | | | |
| Qwi:qwelstom Development GP Corporation | 2 | (250) | 1 | (249) |
| Year ended March 31/14 | | | | |
| Takaya Holdings Ltd. | 1 | - | - | - |
| Year ended March 31/14 | | | | |
| Takaya Tours Inc. | 140,308 | 360,024 | 128,776 | 9,887 |
| Year ended March 31/14 | | | | |
| Takaya Ventures Ltd. | - | - | - | - |
| Year ended March 31/14 | | | | |
| Tsleil Waututh Nation Development Company Ltd. | (5,984) | 7,309 | (1,394) | (2,409) |
| Year ended March 31/14 | | | | |
| TWN Renewable Energy Holdings Ltd. | 2,825,294 | 4,802,065 | - | (1,976,774) |
| Year ended March 31/14 | | | | |
| Wolf Clan Development Company Ltd. | 19,211 | 1,193 | 54,836 | 53,821 |
| Year ended March 31/14 | | | | |
| 0931702 B.C. Ltd. | (686) | 1 | - | (354) |

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 7: DUE FROM RELATED PARTIES

Amounts due from related parties are non-interest bearing and have no specific terms of repayment.

NOTE 8: LOANS RECEIVABLE

Loans receivable represent amounts advanced to the following entities controlled by the First Nation for investment purposes:

| | 2014 | 2013 |
|--|-------------------|------------------|
| | \$ | \$ |
| Qwi:qwelstom Development Limited Partnership | 8,883,960 | - |
| TWN Renewable Energy Holdings Ltd. | 4,101,800 | 2,000,000 |
| Takaya Developments (2007) Limited Partnership | - | 1,003,911 |
| TOTAL | 12,985,760 | 3,003,911 |

Loans receivable are non-interest bearing and have no specific terms of repayment.

NOTE 9: LONG-TERM DEBT

| | 2014 | 2013 |
|---|------------------|-------------|
| | \$ | \$ |
| All Nations Trust - repayable in monthly instalments of \$2,771.59 including interest at 2.57% per annum maturing August 2014, secured by a Ministerial Guarantee from AANDC. | 12,986 | 45,440 |
| All Nations Trust - repayable in monthly instalments of \$4,671.54 including interest at 2.63% per annum, maturing March 2016, secured by a Ministerial Guarantee from AANDC. | 109,119 | 161,572 |
| All Nations Trust - repayable in monthly instalments of \$3,144.22 including interest at 3.16% per annum, maturing June 2018, secured by a Ministerial Guarantee from AANDC. | 149,123 | 182,378 |
| All Nations Trust - repayable in monthly instalments of \$6,771.26 including interest at 2.39% per annum, maturing September 2035, secured by a Ministerial Guarantee from AANDC. | 1,362,891 | 1,411,106 |
| All Nations Trust - repayable in monthly instalments for \$2,780.40 including interest at 2.37% per annum, maturing July 2036, secured by a Ministerial Guarantee from AANDC. | 576,364 | 595,883 |
| All Nations Trust - repayable in monthly instalments for \$4,750.28 including interest at 1.49% per annum, maturing January 2037, secured by a Ministerial Guarantee from AANDC. | 1,102,793 | 1,143,088 |
| All Nations Trust - repayable in monthly instalments for \$2,564.66 including interest at 1.44% per annum, maturing July 2037, secured by a Ministerial Guarantee from AANDC. | 629,523 | 652,163 |

Continued

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 9: LONG-TERM DEBT (continued)

| | 2014 | 2013 |
|--|-------------------|-------------|
| | \$ | \$ |
| Native Claims Loan Agreement - signed promissory notes representing advances made by Canada for claims. Repayment provisions outlined in Native Claims Loan Agreement. Repayment is due and payable at the earlier of March 31, 2014 or a date on which the Claim is settled. | 106,300 | 106,300 |
| Royal Bank of Canada - repayable in monthly instalments of \$2,821.93 including interest at 3.35% per annum. Repayment, subject to renewal, is due and payable on April 23, 2013. | - | 45,333 |
| Negotiation Support Fund - signed promissory notes and First Nation Negotiation Support Agreements, representing advances made by Canada for negotiations. Repayment provisions are outlined in Section 13.0 and 14.0 of the First Nation Negotiation Support Agreement. Repayment is due and payable at the later of the date a treaty signed by the parties takes effect unless otherwise agreed to or November 8, 2016 per the agreement dated September 4, 2013. | 6,888,257 | 6,531,937 |
| Royal Bank of Canada - monthly interest payment at 4.00% per annum. Repayment on demand. | 500,000 | 500,000 |
| All Nations Trust - 1st advance on loan of \$718,446 secured by a Ministerial Guarantee from AANDC. Interest rate and repayment terms of the loan have not yet been set. | 290,699 | - |
| | 11,728,055 | 11,375,200 |

FUTURE PRINCIPAL REPAYMENTS

The estimated principal payments for the next five years are as follows:

| | \$ |
|------------|-------------------|
| 2015 | 234,033 |
| 2016 | 225,401 |
| 2017 | 173,892 |
| 2018 | 177,758 |
| And beyond | 10,916,971 |
| | 11,728,055 |

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 10: TANGIBLE CAPITAL ASSETS

March 31, 2014

| Cost | Automobiles | Buildings | Equipment | Roads and Infrastructure | Under Construction | Social Housing | Enterprise | Total |
|----------------------------|--------------------|------------------|------------------|---------------------------------|---------------------------|-----------------------|-------------------|--------------|
| Balance, beginning of year | 148,838 | 12,201,423 | 1,285,785 | 3,409,381 | 722,703 | 5,892,071 | 6,035 | 23,666,236 |
| Acquisitions | 40,057 | 125,826 | 131,885 | 222,493 | 820,107 | - | - | 1,340,368 |
| Balance, end of year | 188,895 | 12,327,249 | 1,417,670 | 3,631,874 | 1,542,810 | 5,892,071 | 6,035 | 25,006,604 |

Accumulated depreciation

| | | | | | | | | |
|----------------------------|---------|-----------|-----------|-----------|---|-----------|-------|-----------|
| Balance, beginning of year | 88,198 | 5,898,158 | 1,075,749 | 1,032,195 | - | 988,509 | 4,645 | 9,087,454 |
| Amortization | 14,490 | 426,177 | 58,372 | 64,598 | - | 248,831 | 293 | 812,761 |
| Balance, end of year | 102,688 | 6,324,335 | 1,134,121 | 1,096,793 | - | 1,237,340 | 4,938 | 9,900,215 |

Net Book Value of Tangible Capital Assets

| | | | | | | | | |
|--|---------------|------------------|----------------|------------------|------------------|------------------|--------------|-------------------|
| | 86,207 | 6,002,914 | 283,549 | 2,535,081 | 1,542,810 | 4,654,731 | 1,097 | 15,106,389 |
|--|---------------|------------------|----------------|------------------|------------------|------------------|--------------|-------------------|

March 31, 2013

| | | | | | | | | |
|----------------------------|---------|------------|-----------|-----------|---------|-----------|-------------|------------|
| Balance, beginning of year | 148,838 | 8,351,264 | 747,530 | 3,409,381 | - | 6,014,640 | 3,168,898 | 21,840,551 |
| Acquisitions | - | 270,261 | 38,809 | - | 722,703 | 742,037 | - | 1,773,810 |
| Transfers | - | 3,579,898 | 499,446 | - | - | (864,606) | (3,162,863) | 51,875 |
| Balance, end of year | 148,838 | 12,201,423 | 1,285,785 | 3,409,381 | 722,703 | 5,892,071 | 6,035 | 23,666,236 |

Accumulated depreciation

| | | | | | | | | |
|----------------------------|--------|-----------|-----------|-----------|---|-----------|-------------|-----------|
| Balance, beginning of year | 78,859 | 2,817,929 | 538,410 | 969,763 | - | 1,195,592 | 2,625,486 | 8,226,039 |
| Amortization | 9,339 | 408,387 | 64,498 | 62,432 | - | 264,510 | 374 | 809,540 |
| Transfers | - | 2,671,842 | 472,841 | - | - | (471,593) | (2,621,215) | 51,875 |
| Balance, end of year | 88,198 | 5,898,158 | 1,075,749 | 1,032,195 | - | 988,509 | 4,645 | 9,087,454 |

Net Book Value of Tangible Capital Assets

| | | | | | | | | |
|--|---------------|------------------|----------------|------------------|----------------|------------------|--------------|-------------------|
| | 60,640 | 6,303,265 | 210,036 | 2,377,186 | 722,703 | 4,903,562 | 1,390 | 14,578,782 |
|--|---------------|------------------|----------------|------------------|----------------|------------------|--------------|-------------------|

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 11: MEMBERS' EQUITY

| | 2014 \$ | 2013 \$ |
|---|-------------------|-------------------|
| Restricted | | |
| Social Housing Fund | (1,163,502) | (1,190,538) |
| Trust Fund | 111,479 | 111,432 |
| Enterprise Fund | 18,367,198 | 12,634,310 |
| First Nation Negotiation Support Agreement Fund | - | - |
| Olympic Legacy Trust Agreement Fund | 19,420,373 | 18,363,086 |
| | 36,735,548 | 29,918,290 |
| Unrestricted | | |
| Operating Fund | 9,496,122 | 10,898,296 |
| Capital Fund | 10,159,862 | 9,673,830 |
| | 19,655,984 | 20,572,126 |
| TOTAL EQUITY | 56,391,532 | 50,490,416 |

NOTE 12: MINISTERIAL GUARANTEES

A Government of Canada Ministerial Guarantee has been obtained for the following loan. If this loan defaults, the Minister may recover the outstanding amounts from the Tseil-Waututh Nation.

The Tseil-Waututh Nation has a guaranteed loan to a certain band member in the amount of \$125,000.

NOTE 13: THREE PARTY NOVATION AGREEMENT

Effective October 1, 2013, Health Canada novated its Health Funding Contribution Agreements - PA1400008-FL and PA1200085-CC with the First Nation to First Nations Health Authority (FNHA). Details of the activity under this agreement before and after the novation date are as follows:

| | HEALTH CANADA \$ | FNHA \$ | Total \$ |
|--|------------------------|------------------|------------------|
| REVENUE | 324,762 | 324,761 | 649,523 |
| EXPENSES | | | |
| Public works - drinking water safety | 3,550 | 3,550 | 7,100 |
| Public works - capital expenses | 94,115 | 358,867 | 452,982 |
| Land, water and environment - environmental contaminants | 48,915 | 48,915 | 97,830 |
| Education - aboriginal head start on reserve | 28,100 | 28,100 | 56,200 |
| Education - brighter futures | 18,141 | 18,141 | 36,282 |
| Health - building healthy communities | 37,644 | 43,084 | 80,728 |
| Health - community health care programs | 75,843 | 123,017 | 198,860 |
| Health - alcohol and drug abuse program | 18,454 | 64,707 | 83,161 |
| | 324,762 | 688,381 | 1,013,143 |
| ANNUAL EXCESS OF REVENUE OVER EXPENSES | - | (363,620) | (363,620) |

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 14: REPLACEMENT RESERVE FUND

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

These funds are to be held in a separate interest-bearing bank account or term deposit with the interest earned to be credited as revenue to the Replacement Reserve Fund. As at the Statement of Financial Position date, the Replacement Reserve Fund - old program is overfunded by \$59,240 (overfunded by \$179,771 as of March 31, 2013) and the Replacement Reserve Fund - new program is overfunded by \$67,497 (underfunded by \$46,275 at March 31, 2013).

The following expenditures have been charged to the Replacement Reserve Fund:

| Description | \$ |
|---------------------|---------------|
| Appliances | 5,058 |
| Bathroom facilities | 37,043 |
| Flooring | 1,800 |
| Hot water tank | 4,105 |
| Ramp addition | 1,485 |
| | <u>49,491</u> |

NOTE 15: SUBSIDY SURPLUS FUND

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Program is allowed to set aside an amount of \$500 per housing unit for the purpose of meeting future requirements of income listed occupants over and above the maximum federal assistance.

These funds are to be held in a separate interest-bearing bank account or term deposit with the interest earned to be credited as revenue to the Subsidy Surplus Fund. As at the Statement of Financial Position date, the fund has a balance of zero.

NOTE 16: OPERATING RESERVE FUND

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Program is to set aside any surplus revenue to an operating reserve for the purpose of meeting future requirements of income listed occupants over and above the maximum federal assistance. Accordingly, future years' deficits may be recovered from the Fund. These funds are to be held in a separate bank account with any interest earned to be credited as revenue to the Operating Reserve Fund.

As at the year end date, the Fund is underfunded by \$22,009 (underfunded by \$44,579 as at March 31, 2013).

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 17: SEGMENTED INFORMATION

The Tsleil-Waututh Nation is a First Nation government institution that provides a range of programs and services to its members, including administration, public works, treaty, lands and resources, community development and economic development. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Administration:

The Administration department provides operational and programmatic support to the Nation. It also manages the Nation's financial records to ensure that the government's operations are fiscally responsible and accurate financial results of government programming are being reported.

Public Works:

The Public Works department oversees the operation and maintenance of community lands and infrastructure. It is responsible for the care of the Nation's reserve lands, resources and environment, which include the operation and maintenance of the Nation's buildings, grounds and infrastructure as well as the provision of safe affordable housing and facilities and other ongoing public works projects.

Treaty, Lands and Resources:

The Treaty, Lands and Resources department is to advance the interests of the Nation with respect to the treaty process as well as to the lands and natural resources that come as part and parcel of the traditional territory. The department's projects range from treaty negotiations, aboriginal rights and title issues to forest and marine stewardship programs, Nation to Nation cooperation and collaboration, and capacity building.

Community Development:

The Community Development department supports the members in their efforts to enhance their self-awareness, health and wellness, education and employment. Various programs are being offered in this department.

Education: It offers aboriginal employment and training programs to assist members to attain employment, provides kindergarten to grade 12 courses, and provides post secondary education support.

Health: It provides holistic healthcare that incorporates both traditional and modern medicine and practice.

Social development: It provides assistance to community members unable to provide for themselves and their dependents. The services include, but are not limited to, income assistance, child and family services, and assisted living.

Economic Development:

The Economic Development department is responsible for creating and sustaining businesses and partnerships that provide economic growth and stability for the Nation. It is responsible for fiscal policy-making and reporting, making applications for government grants and applications, developing and managing initiatives for the community and maintaining annual budgets.

Housing:

Housing is responsible for the administration and management of Social Housing units.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 17: SEGMENTED INFORMATION (continued)

| | Community Development | | | | | | | | | | Total 2013 |
|--|-----------------------|-----------------|--------------------------------|-----------|-----------|----------|-----------------------|-------------------------|-----------|---------|---------------|
| | Administration | Public Works | Treaty Lands & Resources | General | Education | Health | Social Development | Economic Development | Other | Housing | Total 2014 |
| REVENUE | | | | | | | | | | | |
| Aboriginal Affairs and Northern Development Canada | 610,207 | 655,617 | 74,908 | - | 605,976 | - | 542,388 | 21,502 | - | - | 2,510,598 |
| All Nations Trust | - | 290,699 | - | - | - | - | - | - | - | - | 290,699 |
| Enterprise Fund revenue | - | - | - | - | - | - | - | - | 1,944,443 | - | 1,944,443 |
| Enterprise revenue | - | - | - | - | - | - | - | 5,707,824 | - | - | 5,707,824 |
| First Nations Education Steering Committee | - | - | - | - | 38,187 | - | - | - | - | - | 38,187 |
| First Nations Employment Society | - | - | - | - | 32,816 | - | - | - | - | - | 32,816 |
| First Nations Goods and Services Tax | 2,041,260 | - | - | - | - | - | - | - | - | - | 2,041,260 |
| Fisheries and Oceans Canada | - | - | 80,500 | - | - | - | - | - | - | - | 80,500 |
| Olympic Legacy Trust Agreement Fund | - | - | - | - | - | - | - | - | 1,152,311 | - | 1,152,311 |
| Health Canada/First Nations Health Authority | - | 195,330 | 97,830 | - | 92,482 | 263,881 | - | - | - | - | 649,523 |
| Canada Post | 8,038,500 | - | - | - | - | - | - | - | - | - | 8,038,500 |
| Interest | 27,094 | - | - | - | - | - | - | - | - | - | 27,094 |
| Miscellaneous | 662,452 | 357,858 | 753,568 | 132,376 | 237,072 | 720 | - | - | - | - | 2,144,046 |
| Ottawa Trust Fund | - | - | - | - | - | - | - | - | 4,066 | - | 4,066 |
| Property taxes, permits and inspections | 2,208,683 | 1,165 | 436,454 | - | 209,352 | - | - | - | - | - | 2,209,848 |
| Province of B.C. | - | - | - | - | - | - | - | - | - | - | 645,806 |
| Social Housing | - | - | - | - | - | - | - | - | - | 624,717 | 624,717 |
| Treaty negotiations support agreement | - | - | - | - | - | - | - | - | 225,105 | - | 225,105 |
| Capital fund additions | - | - | - | - | - | - | - | - | 1,340,368 | - | 1,340,368 |
| | 13,588,196 | 1,500,669 | 1,443,280 | 132,376 | 1,215,885 | 264,601 | 542,388 | 5,729,326 | 4,666,293 | 624,717 | 29,707,711 |
| | | | | | | | | | | | 22,251,418 |
| EXPENSES | | | | | | | | | | | |
| Wages and benefits | 1,210,368 | 497,651 | 924,972 | 61,280 | 832,379 | 238,231 | 40,855 | 705,300 | - | - | 4,511,036 |
| Other | 4,639,984 | 2,005,216 | 724,439 | 176,857 | 861,617 | 124,518 | 539,239 | 2,254,118 | 326,025 | 597,681 | 12,249,694 |
| Depreciation | - | - | - | - | - | - | - | - | 563,637 | - | 563,637 |
| | 5,850,352 | 2,502,867 | 1,649,411 | 238,137 | 1,693,996 | 362,749 | 580,094 | 2,959,418 | 889,662 | 597,681 | 17,324,367 |
| | 7,737,844 | (1,002,198) | (206,151) | (105,761) | (478,111) | (98,148) | (37,706) | 2,769,908 | 3,776,631 | 27,036 | 12,383,344 |
| | | | | | | | | | | | 8,290,123 |

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 18: EXPENDITURES BY OBJECT

| | 2014 | 2013 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Administration | 272,700 | 90,882 |
| Advertising | 18,258 | 14,556 |
| Bad debts | 26,239 | - |
| Band member distributions | 908,750 | 498,250 |
| Bank charges | 2,598 | 3,422 |
| Contracted services and consultants | 1,874,051 | 1,298,256 |
| Contribution to Social Housing Fund | 18,640 | - |
| Contribution to Takaya Developments (Destiny) Limited Partnership | 1,123,000 | - |
| Contribution to Takaya Tours | 188,198 | 188,198 |
| Depreciation | 563,637 | 544,656 |
| Honoraria | 360,633 | 196,000 |
| Housing mortgage costs | 328,828 | 349,186 |
| Housing construction costs | 402,859 | 752,995 |
| Insurance | 88,337 | 101,645 |
| Interest | - | 2,809 |
| Municipal services, District of North Vancouver | 1,537,789 | 1,437,492 |
| Office and miscellaneous | 838,409 | 726,638 |
| Professional fees | 532,943 | 386,287 |
| Program expenditures | 1,828,103 | 1,667,969 |
| Purchases | 781,237 | 559,392 |
| Renovations and improvements | 78,717 | 68,794 |
| Rent and utilities | 193,508 | 226,808 |
| Repairs and maintenance | 314,479 | 375,908 |
| Supplies | 64,585 | 53,717 |
| Travel | 236,054 | 102,362 |
| Vehicle | 10,175 | 11,574 |
| Wages and benefits | 4,511,036 | 4,107,283 |
| Workshops/training | 220,604 | 196,216 |
| | 17,324,367 | 13,961,295 |

NOTE 19: COMPARATIVE FIGURES

Comparative figures for the year ended March 31, 2013 have been restated in accordance with the change in accounting policy as described in Note 2 and have been reclassified where necessary to conform to the current year's presentation.

NOTE 20: SUBSEQUENT CHANGES TO THE FINANCIAL STATEMENTS

Subsequent to the issuance of these consolidated financial statements dated July 29, 2014, it was discovered that \$80,000 of additional expenditures in the Negotiation Support Agreement Fund were required to be reflected in the Statement of Operations for the Fund.

TSLEIL-WAUTUTH NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2014

NOTE 20: SUBSEQUENT CHANGES TO THE FINANCIAL STATEMENTS (continued)

The consolidated financial statements have been amended to reflect the following changes made to the Negotiation Support Agreement Fund.

| | <u>PREVIOUSLY STATED</u> | <u>ADJUSTMENT</u> | <u>AS AMENDED</u> |
|-------------------------------------|-------------------------------------|--------------------------|------------------------------|
| | \$ | \$ | \$ |
| Accounts receivable | 1,598,176 | (80,000) | 1,518,176 |
| Deferred Treaty Commission Expenses | 6,933,966 | 80,000 | 7,013,966 |