

**MOUNT CURRIE BAND
CONSOLIDATED
FINANCIAL STATEMENTS**
For the year ended March 31, 2014

MOUNT CURRIE BAND
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For the year ended March 31, 2014

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Mount Currie Band are the responsibility of management and have been approved by Chief and Council.

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

The Mount Currie Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable costs. 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 Mount Currie Band is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Chief and Council carry out this responsibility through the Finance Committee.

The Finance Committee reviews the consolidated financial statements and recommends their approval. The Finance Committee 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 consolidated financial statements and external auditor's report. The Chief and Council also considers the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP have full and free access to Chief and Council.

Approved on behalf of the Band Council



Chief



Chairperson of Finance and Audit Committee



Senior Financial Officer



Senior Administrator



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Independent Auditor's Report

To the Members of the Mount Currie Band

We have audited the accompanying consolidated financial statements of Mount Currie Band, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statement of financial activity, change in net financial assets (debt) and cash flows for the year then ended, and a summary of consolidated significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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.

Auditor's 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial position of Mount Currie Band as at March 31, 2014, and the results of its operations, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

Mount Currie Band has also prepared another set of financial statements for the year ended March 31, 2014 in accordance with Canadian public sector accounting standards. However, those financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures prepared to assist management of the Mount Currie Band to meet the reporting requirements of various funding agencies. Our audit report on the other set of financial statements was issued to the members of the Mount Currie Band and was dated July 29, 2014.

BDO Canada LLP

Chartered Accountants

Kelowna, British Columbia
July 29, 2014

MOUNT CURRIE BAND

Consolidated Statement of Financial Position

March 31

2014

2013

Financial Assets

Cash	\$ 66,143	\$ 107,864
Restricted cash (Note 2)	3,355,958	3,658,524
Restricted temporary investments (Note 3)	6,152,212	6,018,452
Accounts receivable (Note 4)	1,478,512	2,071,614
Due from related entities (Note 5)	1,100,897	3,102,817
Investment in business enterprises (Note 6)	6,950,909	2,787,096
Ottawa Trust Funds	253,442	560,878
	<u>19,358,073</u>	<u>18,307,245</u>

Financial Liabilities

Bank indebtedness (Note 7)	960,858	1,311,526
Accounts payable and accrued liabilities	1,815,057	2,028,704
Deferred revenue (Note 8)	3,615,232	4,061,959
Due to related entities (Note 5)	593,414	656,990
Obligation under capital lease (Note 9)	107,695	40,000
Long term debt (Note 10)	7,854,745	8,484,226
	<u>14,947,001</u>	<u>16,583,405</u>

Net Financial Assets

4,411,072 1,723,840

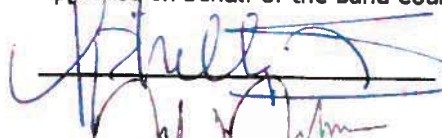
Non - Financial Assets

Tangible capital assets (Note 11)	43,632,847	43,784,267
Prepaid expenses	177,159	145,686
	<u>43,810,006</u>	<u>43,929,953</u>

Accumulated Surplus (Note 12)

\$48,221,078 \$ 45,653,793

Approved on behalf of the Band Council

 Chief

 Chairperson of Finance and Audit Committee

 Senior Financial Officer

 Senior Administrator

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

MOUNT CURRIE BAND
Consolidated Statement of Financial Activity

For the year ended March 31	Budget	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada\$	8,738,708	\$ 9,761,320	\$ 8,545,667
Canada Mortgage and Housing Corporation	162,387	162,387	167,438
Department of Fisheries and Oceans Canada	225,000	218,550	244,200
First Nations Education Steering Committee Funding	433,134	523,216	441,197
First Nations Employment Society Funding	262,000	262,530	262,532
First Nations Health Authority	2,053,186	2,039,403	1,807,437
Province of British Columbia	1,633,696	1,680,326	1,617,265
Rental income	841,100	853,249	866,921
Other income	2,416,976	3,839,125	1,894,390
Income from business enterprises	-	2,332,487	-
Interest income	-	9,467	15,759
BC special grant	-	5,097	5,167
	16,766,187	21,687,157	15,867,973
Expenses (Note 18)			
Operations Fund	13,755,954	15,063,249	14,057,684
Capital Fund	2,303,086	393,612	118,751
Xit'olacw Housing Fund	379,908	462,932	600,595
Xit'olacw Community School Fund	3,276,044	3,365,132	3,209,712
Funding agency repayments	-	(181,615)	(171,501)
CMHC approved expenditures	-	16,562	30,997
Loss from business enterprises	-	-	321,127
Loss on disposal of tangible capital assets	-	-	1,288,220
	19,714,992	19,119,872	19,455,585
Annual surplus (deficit)	(2,948,805)	2,567,285	(3,587,612)
Accumulated surplus, beginning of year	45,653,793	45,653,793	49,241,405
Accumulated surplus (Note 12), end of year	\$ 42,704,988	\$ 48,221,078	\$ 45,653,793

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

MOUNT CURRIE BAND

Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended March 31	Budget	2014	2013
Annual surplus (deficit)	\$ (2,948,805)	\$ 2,567,285	\$ (3,587,612)
Acquisition of tangible capital assets (Note 11)	-	(1,156,424)	(927,119)
Amortization of tangible capital assets (Note 11)	1,135,809	1,307,844	1,301,520
Net book value of disposed tangible capital assets	-	-	1,263,178
Change in prepaid expenses	-	(31,473)	209,038
	(1,812,996)	2,687,232	(1,740,995)
Net financial assets, beginning of year	1,723,840	1,723,840	3,464,835
Net financial assets (debt), end of year	\$ (89,156)	\$ 4,411,072	\$ 1,723,840

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

MOUNT CURRIE BAND
Consolidated Statement of Cash Flows

For the year ended March 31	2014	2013
Cash flows provided by (used in) operating activities		
Cash receipts from all funding sources	\$ 20,755,501	\$ 15,571,265
Cash paid to employees and suppliers	(16,686,039)	(16,739,849)
Interest paid	(293,082)	(304,910)
	<u>3,776,380</u>	<u>(1,473,494)</u>
Cash flows provided by (used in) capital activities		
Purchase of tangible capital assets	<u>(1,070,733)</u>	<u>(887,119)</u>
Cash flows provided by (used in) investing activities		
Change in long term investments	(4,163,813)	321,128
Purchase of short term restricted temporary investments	(133,760)	(6,005,234)
Ottawa trust funds	<u>307,436</u>	<u>204,064</u>
	<u>(3,990,137)</u>	<u>(5,480,042)</u>
Cash flows provided by (used in) financing activities		
Repayment of long term debt	(629,477)	(709,712)
Advances (to) from related parties	1,938,344	(449,391)
Repayment of capital leases	<u>(17,996)</u>	<u>(6,546)</u>
	<u>1,290,871</u>	<u>(1,165,649)</u>
Increase (decrease) in cash and bank indebtedness	6,381	(9,006,304)
Cash and bank indebtedness, beginning of year	<u>2,454,862</u>	<u>11,461,166</u>
Cash and bank indebtedness, end of year	<u>\$ 2,461,243</u>	<u>\$ 2,454,862</u>
Represented by:		
Cash	\$ 66,143	\$ 107,864
Restricted cash	3,355,958	3,658,524
Bank indebtedness	<u>(960,858)</u>	<u>(1,311,526)</u>
	<u>\$ 2,461,243</u>	<u>\$ 2,454,862</u>

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

MOUNT CURRIE BAND

Summary of Significant Accounting Policies

March 31, 2014

Basis of Presentation	It is the policy of Mount Currie Band (the "First Nation") to follow accounting principles generally accepted for First Nations in the Province of British Columbia. The consolidated financial statements have been prepared using guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The First Nation provides services such as band government, public works, social development, community health, advanced education, economic development, land and resources, housing and community school.
Reporting Entity	The Mount Currie Band reporting entity includes the Mount Currie Band Council and all related entities which are accountable for the administration of their financial affairs and resources to the First Nation and are either owned or controlled by the First Nation.
Principles of Financial Reporting	<p>These financial statements consolidate on a modified equity basis the assets, liabilities and results of operations for the following organizations which use accounting principles which lend themselves to consolidate on a modified equity basis with the Mount Currie Band:</p> <ul style="list-style-type: none">- Lil'wat Holdings Limited Partnership- 0542131 BC Ltd.- 0773099 BC Ltd.- 0775448 BC Ltd.- 0780174 BC Ltd.- 0780176 BC Ltd.- 0780179 BC Ltd.- 0780182 BC Ltd.- 0780185 BC Ltd.- 0781316 BC Ltd.- 0781242 BC Ltd.- 0915799 BC Ltd.- Baxter Creek Limited Partnership
Fund Accounting	<p>The Mount Currie Band is segregated into various funds for accounting and financial reporting purposes. Each fund is treated as a separate entity with responsibility for stewardship of the assets allocated to it.</p> <p>The funds and enterprises of the Mount Currie Band are as follows:</p> <ul style="list-style-type: none">- Mount Currie Band Operations Fund- Mount Currie Band Capital Fund- Xit'olacw Housing Operations Fund- Xit'olacw Community School Fund
Cash and Cash Equivalents	Cash and cash equivalents includes cash and investments in money market funds.

MOUNT CURRIE BAND
Summary of Significant Accounting Policies

March 31, 2014

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 owned by the First Nation, 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.								
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.								
Restricted Temporary Investments	Restricted temporary investments are stated at the lower of cost and market value.								
Budget Figures	The budget figures are approved annually by Chief and Council. They have been reallocated to conform to PSAB financial statement presentation. Subsequent amendments have been made by the Chief and Council to reflect changes in the budget as required.								
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 on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table><tr><td>Buildings</td><td>25 years</td></tr><tr><td>Community infrastructure</td><td>20 - 75 years</td></tr><tr><td>Equipment</td><td>5 - 20 years</td></tr><tr><td>Assets under construction</td><td>Nil</td></tr></table>	Buildings	25 years	Community infrastructure	20 - 75 years	Equipment	5 - 20 years	Assets under construction	Nil
Buildings	25 years								
Community infrastructure	20 - 75 years								
Equipment	5 - 20 years								
Assets under construction	Nil								
Impairment of Long Lived Assets	In the event that facts and circumstances indicate that the First Nation's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The First Nation considers that no circumstances exist that would require such an evaluation.								

MOUNT CURRIE BAND
Summary of Significant Accounting Policies

March 31, 2014

Revenue Recognition	<p>Government funding is recognized as it becomes receivable under the terms of applicable funding agreements. Revenue received under funding agreements which relates to a subsequent fiscal period is recognized as revenue in the period in which the resources are used for the purpose or purposes specified.</p> <p>Rental revenue is recognized as it becomes receivable under the terms of the rental agreement.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p> <p>All other revenue is recognized as it is earned.</p>
Deferred Revenue	<p>Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of financial activity in the year in which it is used for the specified purpose.</p>
Financial Instruments	<p>The First Nation recognizes and measures financial assets and financial liabilities on the statement of financial position when it becomes a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade date or settlement date basis. All financial instruments are measured at fair value on initial recognition. Financial instruments are subsequently measured at amortized cost as the First Nation 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 are measured at fair value after initial recognition, a Statement of Remeasurement Gains and Losses has not been presented in these financial statements.</p>
Use of Estimates	<p>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.</p>

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

1. Economic Dependence

The Mount Currie Band receives 45% (2013 - 54%) of its revenue pursuant to funding arrangements with Aboriginal Affairs and Northern Development Canada ("AANDC").

2. Restricted Cash

	2014	2013
Xit'olacw Housing Operations - Full Subsidy Program		
Replacement reserve (Note 13)	\$ 414,846	\$ 340,411
Operating reserve (Note 14)	75,627	-
Funds held in trust	-	3,288,301
Restricted funds	9,017,697	6,048,264
	<u>\$ 9,508,170</u>	<u>\$ 9,676,976</u>

Restricted Cash is represented by:

Restricted cash	\$ 3,355,958	\$ 3,658,524
Restricted temporary investments (Note 3)	6,152,212	6,018,452
	<u>\$ 9,508,170</u>	<u>\$ 9,676,976</u>

3. Restricted Temporary Investments

Included in the restricted cash amounts in Note 2 are short term investments. The Band holds guaranteed investment certificates (GIC's) in a chartered bank with the following terms:

	2014	2013
GIC's, matured during the year	\$ -	\$ 3,015,123
GIC's, interest paid on maturity at 1.9% on December 9, 2014	754,373	-
GIC's, interest paid on maturity at 2.0% on March 11, 2015	3,063,602	3,003,329
GIC's, interest paid on maturity at 2.2% on December 9, 2015	782,245	-
Short-term investment, interest paid at 3.18%, matures November 2, 2015	1,551,992	-
	<u>\$ 6,152,212</u>	<u>\$ 6,018,452</u>

Funds held in temporary investments represent those monies that the Mount Currie Band has committed for expenditures for future capital and economic development projects of the Band.

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

4. Accounts Receivable

	2014	2013
Current	\$ 2,810,272	\$ 3,894,613
Long term	500,000	500,000
Aboriginal Affairs and Northern Development Canada	438,818	36,440
	<u>3,749,090</u>	<u>4,431,053</u>
Allowance for doubtful accounts	<u>(2,270,578)</u>	<u>(2,359,439)</u>
	<u>\$ 1,478,512</u>	<u>\$ 2,071,614</u>

5. Due To/From Related Entities

Due From Related Entities

	2014	2013
0542131 BC Ltd.	\$ 162	\$ 91,553
0775448 BC Ltd.	-	1,688
Lil'wat Capital Assets Limited Partnership	508,806	504,591
Lil'wat Construction Enterprises Limited Partnership	591,929	619,378
Lil'wat Retail Operations Inc.	-	1,885,607
	<u>\$ 1,100,897</u>	<u>\$ 3,102,817</u>

Due To Related Entities

	2014	2013
0915799 BC Ltd.	\$ 1	\$ 1
Lil'wat Forestry Ventures Limited Partnership	158,165	158,165
Lil'wat Management Services Limited Partnership	28,000	-
Lil'wat Retail Operations Limited Partnership	19,304	-
Squamish Lil'wat Cultural Centre	387,944	498,824
	<u>\$ 593,414</u>	<u>\$ 656,990</u>

Related Party Transactions

During the year, Mount Currie Band received administration fees from a related party, Lil'wat Management Services Limited Partnership, in the amount of \$56,000 (2013 - \$Nil).

During the year, Mount Currie Band received administration fees from a related party, Lil'wat Construction Enterprises Limited Partnership, in the amount of \$Nil (2013 - \$141,198).

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

5. Due To/From Related Entities (continued)

Related Party Transactions (continued)

During the year, Mount Currie Band received a contribution towards the Wedge Creek Project from a related party, Lil'wat Construction Enterprises Limited Partnership, in the amount of \$45,000 (2013 - \$Nil).

During the year, Mount Currie Band incurred expenses on behalf of Lil'wat Construction Enterprises Limited Partnership, in the amount of \$54,909 (2013 - \$Nil).

During the year, Mount Currie Band paid management fees to Lil'wat Management Services Limited Partnership, in the amount of \$28,000 (2013 - \$Nil).

During the year, Mount Currie Band contributed \$283,368 (2013 - \$454,800) to the Squamish Lil'wat Cultural Centre.

The amounts due from related parties bear no interest and have no fixed terms of repayment. The transactions have occurred 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).

6. Investment in Business Enterprises

	2014	2013
0542131 BC Ltd., wholly-owned by Mount Currie Band	\$ 204,084	\$ 287,084
0773099 BC Ltd., 50% owned by Mount Currie Band	1	1
0775448 BC Ltd., wholly owned by Mount Currie Band	2	2
0780174 BC Ltd., 50% owned by Mount Currie Band	1	1
0780176 BC Ltd., 50% owned by Mount Currie Band	1	1
0780179 BC Ltd., 50% owned by Mount Currie Band	1	1
0780182 BC Ltd., 50% owned by Mount Currie Band	1	1
0780185 BC Ltd., 50% owned by Mount Currie Band	1	1
0781242 BC Ltd., 50% owned by Mount Currie Band	1	1
0781316 BC Ltd., 50% owned by Mount Currie Band	1	1
0915799 BC Ltd., wholly owned by Mount Currie Band	1	1
Baxter Creek Limited Partnership, 50% owned by Mount Currie Band	2,500,000	2,500,000
Lil'wat Holdings Limited Partnership, 99.99% controlled by Mount Currie Band	4,246,814	1
	<u>\$ 6,950,909</u>	<u>\$ 2,787,096</u>

During the year, Lil'wat Holdings Limited Partnership issued 183,510.70 partnership units to Mount Currie Band for \$1,831,326.

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

6. Investment in Business Enterprises (continued)

The following summary discloses the condensed financial information of the business enterprises:

(a) Summary of Financial Position	2014	2013
Assets		
Cash and short term investments	\$ 209,141	\$ 700,330
Accounts receivable	986,278	276,490
Inventory	476,317	199,981
Prepays and other assets	925,886	206,395
Due from related parties	-	25,526
Due from non-related parties	-	2,486,616
Forestry licenses	876,938	565,122
Long term investments	226,361	1
Tangible capital assets	5,129,634	5,253,425
Total Assets	8,830,555	9,713,886
Liabilities		
Accounts payable and accrued liabilities	955,251	510,876
Due to related parties	761,944	5,696,827
Reforestation obligation	439,149	220,924
Long term debt	1,428,740	1,479,659
Total Liabilities	3,585,084	7,908,286
Net Assets	\$ 5,245,471	\$ 1,805,600
 (b) Summary of Financial Activities	 2014	 2013
Total Revenues	\$ 16,967,966	\$ 7,147,483
Total Expenses	14,635,465	7,532,847
Income (loss) for the year	\$ 2,332,501	\$ (385,364)

7. Bank Indebtedness

The Band has a line of credit with a total credit limit of \$1,100,000 (2013 - \$1,100,000), bearing interest at prime plus 0.5% (2013 - prime plus 0.5%), secured by a general security agreement, payable in monthly payments of interest only. At March 31, 2014 the amount of line of credit utilized was \$390,000 (2013 - \$1,100,000).

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

8. Deferred Revenue

		2014	2013
Deferred Aboriginal Affairs and Northern Development Canada funding			
Mould Renovations	#10843	\$ 23,964	\$ 24,386
Bands and Private Housing	#11140	6,694	-
Bands and Private Housing	#11172	35,950	-
Negotiation Preparedness	#1022	-	14,431
Land Use Planning	#8110	-	29,922
ACRS 2011	#8752	40,367	60,313
Capital Surplus Projects		78,119	100,767
Total deferred Aboriginal Affairs and Northern Development Canada funding		185,094	229,819
Other deferred revenue			
BC Rail Trust Funds		30,335	30,335
First Nations Education Steering Committee		-	84,818
Health Canada		-	92,138
Lil'wat Housing Legacy		3,254,504	3,288,301
Province of British Columbia		34,387	176,557
Other		110,912	159,991
		<u>\$ 3,615,232</u>	<u>\$ 4,061,959</u>

9. Obligation Under Capital Lease

	2014	2013
Royal Bank - Capital Fund - Payable in monthly payments of \$750 including interest at 4.72%, secured by specific assets, maturing March 2018.	\$ 32,735	\$ 40,000
Royal Bank - Capital Fund - Payable in monthly payments of \$1,596 including interest at 4.71%, secured by specific assets, maturing July 2018.	74,960	-
	107,695	40,000
Less current portion	23,579	8,997
	<u>\$ 84,116</u>	<u>\$ 31,003</u>

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

9. Obligation Under Capital Lease (continued)

The future minimum lease payments for the next five years are as follows:

2015	\$ 28,150
2016	28,150
2017	28,150
2018	28,150
2019	<u>6,384</u>
	118,984
Less imputed interest	<u>(11,289)</u>
	<u>\$ 107,695</u>

10. Long Term Debt

	<u>2014</u>	<u>2013</u>
Mount Currie Band Council - Operations Fund		
CIBC - band member renovations loan, repayable in monthly installments of \$798 including interest at 3.75% per annum, maturing May 1, 2014, secured by ministerial guarantee agreement and CMHC insurance.	\$ 74,300	\$ 80,953
Bank of Nova Scotia - loan repayable in monthly installments of \$4,692 including interest at 5.50% per annum, secured by assignment of assets and a ministerial guarantee agreement.	390,413	430,232
Royal Bank - Non-revolving demand loan, repayable in monthly installments of \$3,504 including interest at 2.93% per annum, maturing January 1, 2017, secured by assignment of assets and a ministerial guarantee agreement.	324,141	361,257
Peace Hills Trust - loan repayable in monthly installments of \$1,099 including interest at 5.44% per annum, renewal date of March 1, 2016, secured by assignment of assets and a ministerial guarantee agreement.	45,864	56,258
Ford - automobile loan, repaid in the year.	<u>-</u>	<u>1,240</u>
Balance carried forward	<u>\$ 834,718</u>	<u>\$ 929,940</u>

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

10. Long Term Debt (continued)

	<u>2014</u>	<u>2013</u>
Balance brought forward	\$ 834,718	\$ 929,940
Mount Currie Band Council - Operations Fund		
GMAC - automobile loan, repaid in the year.	-	1,424
Royal Bank - Non-revolving fixed rate term loan - repayable in monthly installments of \$27,700, including interest at 3.97% per annum, maturing January 31, 2018.	2,774,659	2,993,834
Royal Bank - 0775448 BC Ltd Loan - repayable in monthly installments of \$9,933 plus interest at prime plus 1.45% per annum, maturing May 30, 2014.	574,280	694,472
Xit'olacw Housing Operations		
All Nations Trust Company - Phase 14 mortgage repayable in monthly installments of \$331 including interest at 1.92% per annum, renewal date of April 1, 2019, maturing March 1, 2024, secured by ministerial guarantee.	36,107	39,372
All Nations Trust Company - Phase 14-2 mortgage repayable in monthly installments of \$1,680 including interest at 1.92% per annum, renewal date of April 1, 2019, maturing March 1, 2024, secured by ministerial guarantee.	183,312	199,891
All Nations Trust Company - Phase 15 mortgage repayable in monthly installments of \$2,310 including interest at 2.69% per annum, renewal date of August 1, 2015, maturing April 1, 2025, secured by ministerial guarantee.	265,612	285,930
All Nations Trust Company - Phase 16-2 mortgage repayable in monthly installments of \$801 including interest at 2.56% per annum, renewal date of December 1, 2015, maturing October 1, 2025, secured by ministerial guarantee.	96,362	103,425
All Nations Trust Company - Phase 16-4 mortgage repayable in monthly installments of \$1,568 including interest at 2.56% per annum, renewal date of December 1, 2015, maturing October 1, 2025, secured by ministerial guarantee.	188,499	202,316
Balance carried forward	<u>\$ 4,953,549</u>	<u>\$ 5,450,604</u>

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

10. Long Term Debt (continued)

	<u>2014</u>	<u>2013</u>
Balance brought forward	\$ 4,953,549	\$ 5,450,604
Xi'tolacw Housing Operations		
All Nations Trust Company - Phase 17 mortgage repayable in monthly installments of \$1,982 including interest at 1.64% per annum, renewal date December 1, 2016, maturing August 1, 2026, secured by ministerial guarantee.	267,070	286,315
All Nations Trust Company - Phase 18 mortgage repayable in monthly installments of \$2,220 including interest at 1.67% per annum, renewal date April 1, 2017, maturing November 1, 2026, secured by ministerial guarantee.	304,112	325,502
All Nations Trust Company - Elders Complex mortgage repayable in monthly installments of \$1,814 including interest at 1.65% per annum, renewal date June 1, 2017, maturing June 1, 2027, secured by ministerial guarantee.	259,060	276,403
All Nations Trust Company - Phase 19 mortgage repayable in monthly installments of \$10,006 including interest at 2.17% per annum, renewal date December 1, 2015, maturing November 1, 2035, secured by ministerial guarantee.	<u>2,070,954</u>	<u>2,145,402</u>
	7,854,745	8,484,226
Less current portion	<u>631,500</u>	<u>404,109</u>
	<u>\$ 7,223,245</u>	<u>\$ 8,080,117</u>

Principal repayments on long term debt for the next five years and thereafter are as follows, assuming mortgages are renewed on similar terms:

2015	\$ 631,500
2016	648,900
2017	667,500
2018	682,085
2019	663,080
Thereafter	<u>4,561,680</u>
	<u>\$ 7,854,745</u>

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

11. Tangible Capital Assets

	2014			
	Land	Buildings	Community infrastructure	Assets under construction Equipment Total
Cost, beginning of year	\$ 17,107,661	\$ 28,355,411	\$ 12,246,509	\$ 721,995
Additions	-	264,607	281,151	449,086
Asset Transfers	-	-	721,995	(721,995)
Cost, end of year	\$ 17,107,661	\$ 28,620,018	\$ 13,249,655	\$ 449,086
Accumulated amortization, beginning of year	-	\$ 11,038,506	\$ 4,533,624	\$ 1,190,859
Amortization	-	797,462	357,346	153,036
Accumulated amortization, end of year	-	\$ 11,835,968	\$ 4,890,970	\$ 1,343,895
Net carrying amount, end of year	\$ 17,107,661	\$ 16,784,050	\$ 8,358,685	\$ 933,365
				\$ 43,632,847

Assets under capital leases in the amount of \$166,191 (2013 - \$72,450) with related accumulated amortization of \$22,202 (2013 - \$7,245) are included in equipment.

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

11. Tangible Capital Assets (continued)

	2013				
	Land	Buildings	Community infrastructure	Equipment	Assets under construction
					Total
Cost, beginning of year	\$ 17,121,861	\$ 31,209,813	\$ 12,126,890	\$ 1,475,766	\$ 554,409
Additions	-	-	79,986	125,138	721,995
Disposals	(14,200)	(2,854,402)	-	-	-
Asset transfers	-	-	39,633	514,776	(554,409)
Cost, end of year	\$ 17,107,661	\$ 28,355,411	\$ 12,246,509	\$ 2,115,680	\$ 721,995
Accumulated amortization, beginning of year	\$ -	\$ 11,827,950	\$ 4,206,713	\$ 1,032,230	\$ -
Amortization	-	815,980	326,911	158,629	-
Disposals	-	(1,605,424)	-	-	-
Accumulated amortization, end of year	\$ -	\$ 11,038,506	\$ 4,533,624	\$ 1,190,859	\$ -
Net carrying amount, end of year	\$ 17,107,661	\$ 17,316,905	\$ 7,712,885	\$ 924,821	\$ 721,995
					\$ 43,784,267

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

12. Accumulated Surplus

The Mount Currie Band segregates its accumulated surplus into the following categories:

	2014	2013
Equity in business enterprises (Note 6)	\$ 6,950,909	\$ 2,787,096
Restricted equity for Xit'olacw Community School	231,384	231,384
Restricted equity - BC Hydro (Note 17)	5,743,798	6,162,944
Replacement reserve balances (Note 13)	398,284	362,136
Operating reserve balances (Note 14)	40,801	-
Equity in tangible capital assets (Note 15)	36,058,191	35,647,397
Equity in Ottawa Trust Funds (Note 16)	253,442	560,878
Deficit	(1,455,731)	(98,042)
	<u>\$48,221,078</u>	<u>\$ 45,653,793</u>

13. Replacement Reserve

	2014	2013
Balance, beginning of year	\$ 362,136	\$ 466,185
Add:		
Current year allocation	52,710	54,763
Interest	-	12
Less:		
Approved expenditures	16,562	30,997
CMHC adjustment	-	(3,122)
Phase paid out	-	130,949
Balance, end of year	<u>398,284</u>	<u>362,136</u>
Funded balance (Note 2)	<u>414,846</u>	<u>340,411</u>
Unfunded (over funded) balance	<u>\$ (16,562)</u>	<u>\$ 21,725</u>

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$52,710 annually. These funds, along with accumulated interest, must be held in separate bank accounts and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation, or as may otherwise be approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal.

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

14. Operating Reserve

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ -	\$ 92,720
Add:		
CMHC adjustment	77,627	1,580
Service charges	-	(22)
Less:		
Allocation to current year deficit	<u>36,826</u>	<u>94,278</u>
Balance, end of year	40,801	-
Funded balance (Note 2)	<u>75,627</u>	-
Over funded balance	<u>\$ (34,826)</u>	<u>\$ -</u>

Under the terms of the agreement with Canada Mortgage and Housing Corporation, any surplus must be retained by the Band in an operating reserve fund. These funds along with the accumulating interest are to be held in a separate bank account and may only be used for the ongoing costs of the housing projects. Accordingly, future years deficits may be recovered from the operating reserve.

15. Equity in Tangible Capital Assets

	<u>2014</u>	<u>2013</u>
Balance, beginning of the year	\$ 35,647,397	\$ 36,632,967
Add:		
Purchases of tangible capital assets	1,156,424	927,119
Debt repayment	<u>647,905</u>	<u>717,051</u>
	1,804,329	1,644,170
Less:		
Amortization of tangible capital assets	1,307,844	1,301,520
Proceeds from new debt issuance	85,691	40,000
Loss on disposal of tangible capital assets	<u>-</u>	<u>1,288,220</u>
	<u>1,393,535</u>	<u>2,629,740</u>
	<u>\$ 36,058,191</u>	<u>\$ 35,647,397</u>

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

16. Equity in Ottawa Trust Funds

Trust funds on deposit with the Aboriginal Affairs and Northern Development Canada consist of the following:

	Revenue	Capital	2014 Total	2013 Total
Balance, beginning of year	\$ 329,871	\$ 231,007	\$ 560,878	\$ 764,942
Add:				
Interest on trust balances	8,842	625	9,467	15,769
BC Special Grant	5,097	-	5,097	5,167
	13,939	625	14,564	20,936
Less:				
Withdrawal for Lands and Resources	322,000	-	322,000	225,000
Balance, end of year	\$ 21,810	\$ 231,632	\$ 253,442	\$ 560,878

The Ottawa Trust Funds relate to capital or revenue sources 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.

17. Restricted Equity - BC Hydro

The Mount Currie Band has internally restricted the BC Hydro settlement moneys for future capital and economic development projects of the Band. In 2014, \$419,146 was withdrawn from the fund, \$339,146 was used to build a playground and sports field, \$45,000 was used towards the Wedge Creek Power Project, and \$35,000 was used towards the Elders Complex Project.

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

18. Expenses By Object

	Budget	2014	2013
Administration	\$ -	\$ 2,850	\$ 17,202
Advertising	3,700	3,082	7,347
Amortization	1,135,809	1,307,844	1,301,520
Bad debts	45,000	1,078,030	375,805
CMHC approved expenses	-	16,562	30,997
Consulting	992,794	1,047,345	490,268
Contribution to Squamish Lil'wat Cultural Centre	250,000	283,368	454,800
Funding agency repayments	-	(181,615)	(171,501)
Honoraria	184,100	151,197	169,430
Insurance	341,493	313,102	360,821
Interest and bank charges	50,500	43,021	48,705
Interest on long term debt	260,699	250,061	256,205
Loss on disposal of tangible capital assets	-	-	1,288,220
Office	155,393	288,304	403,224
Other services and materials	2,980,999	1,744,321	916,215
Loss from business enterprises	-	-	321,127
Professional fees	239,004	279,417	284,371
Rent	9,919	20,561	86,150
Repairs and maintenance	467,868	377,753	475,381
Social development	1,846,799	1,825,139	1,897,225
Student allowances	36,000	36,810	55,939
Supplies	638,061	459,312	494,488
Telephone and utilities	469,967	590,591	577,847
Training and workshops	636,926	408,779	680,401
Travel	554,181	645,331	656,843
Wages and benefits	8,415,780	8,128,707	7,976,555
Total expenses for the year	\$ 19,714,992	\$ 19,119,872	\$ 19,455,585

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

19. Contingencies and Commitments

- (a) The First Nation passed a resolution to guarantee a loan securing a \$2.5 million letter of credit given to the Resort Municipality of Whistler ("RMOW") by the Spo7ez Cultural Centre and Community Society ("Spo7ez"). Their bank issued a \$2.5 million letter of credit on behalf of Spo7ez to the RMOW to secure the construction of off-site services and accommodate the subdivision that created the Alpine North Lands. The Band delivers a guarantee and postponement of claim whereby the First Nation guarantees all present and future debts and liabilities, of Spo7ez limited to the sum of \$2.5 million and also assigns all present and future indebtedness of the Spo7ez to the First Nation as collateral security for the letter of credit.
- (b) The First Nation is contingently liable as guarantor of loans made to Band members. This contingent liability amounts to \$759,419 (2013 - \$646,586).
- (c) The First Nation is involved in various ongoing legal claims. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the financial statements. Settlement, if any, made with respect to these actions would be expected to be accounted for as a charge to expenses in the period in which realization is known.

MOUNT CURRIE BAND

Notes to Consolidated Financial Statements

March 31, 2014

20. Segmented Information

Mount Currie Band is a First Nation community in the province of British Columbia that provides a wide range of services to its members. Certain functional areas have been combined and separately disclosed in the segmented information. The segments and the services they provide are as follows:

	Band Housing Rentals	Governance, Finance and Administration	Public Works	Social Development	Community Health and Daycare	Advanced Education	Economic Development	Lil'wat Land and Resources	Capital Fund	Xitlacw Housing Operations	Xitlacw Community School	Other	Total 2014 Actual	Total 2014 Budget
Revenues														
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 872,653	\$ 756,017	\$ 2,197,835	\$ 267,325	\$ 959,339	\$ 754,038	\$ 273,238	\$ 644,625	\$ -	\$ 3,036,250	\$ -	\$ 9,761,320	\$ 8,738,708
First Nations Health Authority	-	-	-	-	2,039,403	-	-	-	-	-	-	-	2,039,403	2,053,186
Province of British Columbia	-	548,349	28,723	222,241	854,013	-	-	27,000	-	-	-	-	1,680,326	1,633,696
Income from business enterprises	-	2,332,487	-	-	-	-	-	-	-	-	-	-	2,332,487	-
Other	680,919	1,624,947	366,443	124,973	464,410	299,021	252,315	570,709	468,955	458,562	547,803	14,564	5,873,621	4,340,597
	680,919	5,378,436	1,151,183	2,545,049	3,625,151	1,258,360	1,006,353	870,947	1,113,580	458,562	3,584,053	14,564	21,687,157	16,766,187
Expenses														
Purchases	434,902	1,902,980	992,345	2,022,499	846,499	819,553	1,044,372	347,632	372,477	189,739	724,180	16,562	9,713,740	10,163,403
Payroll	72,785	1,196,771	553,855	472,431	2,494,003	165,698	89,469	607,416	21,135	-	2,606,340	-	8,279,903	8,415,780
Amortization	65,336	37,602	854,066	718	25,918	632	-	15,767	-	273,193	34,612	-	1,307,844	1,135,809
Funding agency recoveries	-	-	-	(124,828)	(65,033)	6,389	-	1,587	-	-	-	-	(181,615)	-
Transfers	-	340,680	4,560	(70,184)	(76,752)	-	(85,004)	(196,616)	(335,830)	-	-	419,146	-	-
	573,023	3,478,303	2,404,826	2,300,636	3,224,635	992,272	1,048,837	775,786	57,782	462,932	3,365,132	435,708	19,119,872	19,714,992
Surplus (deficit) for the year	\$ 107,896	\$ 1,900,133	\$ (1,253,643)	\$ 244,413	\$ 400,516	\$ 266,088	\$ (42,484)	\$ 95,161	\$ 1,055,798	\$ (4,370)	\$ 218,921	\$ (421,144)	\$ 2,567,285	\$ (2,948,805)

	Band Housing Rentals	Governance, Finance and Administration	Public Works	Social Development	Community Health and Daycare	Advanced Education	Economic Development	Lil'wat Land and Resources	Capital Fund	Xitlacw Housing Operations	Xitlacw Community School	Other	Total 2013 Actual	Total 2013 Budget
Revenues														
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 883,319	\$ 911,148	\$ 2,146,860	\$ 226,558	\$ 932,111	\$ 248,529	\$ 73,416	\$ 106,693	\$ -	\$ 3,017,033	\$ -	\$ 8,545,667	\$ 7,846,066
Health Canada	-	-	-	-	1,807,437	-	-	-	-	-	-	-	1,807,437	1,841,957
Province of British Columbia	-	243,956	68,202	329,364	718,953	126,790	65,000	65,000	-	-	1,617,265	-	1,762,019	1,762,019
Other	659,903	548,915	250,669	119,239	495,182	140,784	110,373	620,278	-	482,666	448,668	20,927	3,897,604	3,333,459
	659,903	1,676,190	1,230,019	2,595,463	3,248,130	1,199,685	423,902	758,694	106,693	482,666	3,465,701	20,927	15,867,973	4,783,492
Expenses														
Purchases	468,353	1,565,991	979,070	2,138,066	860,096	1,038,892	342,433	387,474	44,408	217,121	668,832	1,319,215	10,029,951	9,504,089
Payroll	141,494	1,214,424	439,852	469,362	2,375,591	51,803	80,802	582,236	74,343	81,737	2,512,844	-	7,974,488	7,308,710
Amortization	56,238	25,924	824,475	718	45,118	1,526	-	17,748	-	301,737	28,036	-	1,301,520	1,117,688
Funding agency transactions	-	-	-	26,382	(197,883)	-	-	-	-	-	-	-	(171,501)	(30,000)
Loss from business enterprises	-	321,127	-	-	-	-	-	-	-	-	-	-	321,127	-
Transfers	-	(1,152,448)	-	-	-	-	-	(200,000)	(737,055)	(39,515)	(6,639)	2,135,657	-	-
	666,085	1,975,018	2,243,397	2,634,528	3,032,922	1,092,221	423,235	787,458	(618,304)	561,080	3,203,073	3,454,872	19,455,585	7,900,487
Surplus (deficit) for the year	\$ (6,182)	\$ (298,828)	\$ (1,013,378)	\$ (39,065)	\$ 215,208	\$ 107,464	\$ 667	\$ (28,764)	\$ (511,611)	\$ (78,414)	\$ 262,628	\$ (3,433,945)	\$ (3,587,612)	\$ (3,116,995)

MOUNT CURRIE BAND

Notes to Consolidated Financial Statements

March 31, 2014

20. Segmented Information (continued)

Mount Currie Band is First Nation community of over 2,000 members located in the Pemberton Valley of British Columbia. The Mount Currie Band provides a variety of services to community members, and receives funding from various federal and provincial government agencies to support the delivery of these services. Segmented reporting by program is used to account for the scope and significance of each service.

Band Housing Rentals

This program includes the revenues and expenses relating to the operation of the Band housing rental units and the provision of various housing services to Mount Currie Band members.

Governance, Finance and Administration

This program includes revenues and expenses relating to governance activities undertaken by Chief and Council, band membership activities, administrative services of the Band, and finance and accounting activities for the band and its' business ventures.

Public Works and the Capital Fund

These programs include the revenue and expenses relating to the construction, maintenance and operation of community infrastructure and buildings, and the provision of community services to Mount Currie Band members.

Social Development

This program includes the revenue and expenses relating to the delivery of social assistance programs to Mount Currie Band members, and the delivery of cultural activities in the community. Certain social development activities are funded through agreements with Aboriginal Affairs and Northern Development Canada and have specific eligibility criteria.

Community Health and Daycare

The Community Health program provides a variety of health services to the community pursuant to a funding agreement with Health Canada. The Community Health program also includes revenues and expenses relating to daycare and recreation activities for community members.

Advanced Education

This employment and training program includes the revenue and expenses relating to the provision of support services to community members for advanced education and skills training.

Economic Development

The economic development program provides support services for the economic development and land investment activities of the Mount Currie Band.

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

20. Segmented Information (continued)

Lil'wat Lands & Resources

The lands and resources program includes the revenue and expenses relating to the Bands lands and fisheries programs.

Xit'olacw Housing Operations Fund

The Xit'olacw Housing Operations program includes the revenues and expenses relating to the operation of the Band's CMHC Social Housing Units, including individual houses and multi family units.

Xit'olacw Community School

The Xit'olacw Community School program includes the revenues and expenses relating to the operation and maintenance of the Xit'olacw Community School located on the reserve lands of the Mount Currie Band.

21. Financial Instrument Risk

The Mount Currie Band holds various forms of financial instruments. The nature of these instruments and the Band's operations expose the Band to interest, credit and liquidity risks. The Mount Currie Band manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Band is exposed to this risk through certain variable rate long term debt, bank indebtedness and marketable securities that it holds. The following table summarizes the Mount Currie Band's net exposure to loans and securities with variable interest rates:

	<u>2014</u>	<u>2013</u>
Long term debt and bank indebtedness (net exposure)	<u>\$ 1,535,138</u>	<u>\$ 4,788,306</u>

Management believes that changes in the market rate of interest will have an immaterial effect on the Band as a change in interest rate of 1% in either direction will increase or decrease interest by \$15,351 (2013 - \$47,883). There have been no changes from the previous year of policies, procedures and methods to measure this risk.

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

21. Financial Instrument Risk (continued)

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. The Band 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

The Mount Currie Band's 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	2014 Total
Accounts receivable	\$ 720,451	\$ 68,837	\$ 2,959,802	\$ 3,749,090
Allowance for doubtful accounts	-	-	(2,270,578)	(2,270,578)
	<u>\$ 720,451</u>	<u>\$ 68,837</u>	<u>\$ 689,224</u>	<u>\$ 1,478,512</u>
	Current	31 to 60 days	Over 60 days	2013 Total
Accounts receivable	\$ 1,227,627	\$ 42,119	\$ 3,161,307	\$ 4,431,053
Allowance for doubtful accounts	(184,000)	-	(2,175,439)	(2,359,439)
	<u>\$ 1,043,627</u>	<u>\$ 42,119</u>	<u>\$ 985,868</u>	<u>\$ 2,071,614</u>

Concentration of Credit Risk

As at March 31, 2014 there were 2 (2013 - 1) counterparty holding more than 10% of net accounts receivables and in aggregate 40% (2013 - 34%) 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.

MOUNT CURRIE BAND
Notes to Consolidated Financial Statements

March 31, 2014

21. Financial Instrument Risk (continued)

Liquidity Risk

Liquidity risk is the risk that the Mount Currie Band encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Band 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 long term debt and commitments. The following table summarizes the aging of the Band's financial obligations which provides an indication of possible liquidity risk:

	Current	30 to 364 days	Over 1 year	2014 Total
Accounts payable and accrued liabilities	\$ 1,336,221	\$ 206,683	\$ 272,153	\$ 1,815,057
Long term debt	52,625	578,875	7,223,245	7,854,745
	<u>\$ 1,388,846</u>	<u>\$ 785,558</u>	<u>\$ 7,495,398</u>	<u>\$ 9,669,802</u>
	Current	30 to 364 days	Over 1 year	2013 Total
Accounts payable and accrued liabilities	\$ 1,801,384	\$ 98,490	\$ 128,830	\$ 2,028,704
Long term debt	282,554	121,555	8,080,117	8,484,226
	<u>\$ 2,083,938</u>	<u>\$ 220,045</u>	<u>\$ 8,208,947</u>	<u>\$ 10,512,930</u>

See Note 19 for further information on possible liquidity risk arising from the Mount Currie Band's contingencies and commitments. Management has determined that the Mount Currie Band 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.

22. Comparative Information

The comparative amounts presented in the consolidated financial statements have been restated to conform to the current year's presentation.



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July 22, 2014

Mr. Curt Walker, CMA, Senior Administrator
Mount Currie Band
PO Box 602
Mount Currie BC V0N 2K0

Dear Mr. Walker:

Re: Management Letter - Mount Currie Band

The objective of an audit is to obtain reasonable assurance whether the financial statements are free of any material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. Accordingly an audit would not usually identify all such matters.

During the course of our audit of the financial statements of Mount Currie Band for the year ended March 31, 2014, we did not encounter any significant matters which we believe should be brought to your attention.

This communication is prepared solely for the information of management and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication.

We would like to express our appreciation for the cooperation and assistance which we received during the course of our audit from the staff in the finance department of Mount Currie Band.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

Yours truly,

Ken Carmichael, CPA, CA
Partner through a corporation
BDO Canada LLP
Chartered Accountants