

LIL'WAT NATION
FINANCIAL STATEMENTS
For the year ended March 31, 2015

LIL'WAT NATION
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For the year ended March 31, 2015

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the Lil'wat Nation are the responsibility of management and have been approved by Chief and Council.

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





The Lil'wat Nation 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 Lil'wat Nation is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Chief and Council carry out this responsibility through the Finance Committee.

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

The 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 Lil'wat Nation

We have audited the accompanying financial statements of the Lil'wat Nation, which comprise the statement of financial position as at March 31, 2015, and the statement of financial activity, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Lil'wat Nation as at March 31, 2015, 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

The Lil'wat Nation has also prepared another set of financial statements for the year ended March 31, 2015 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 Lil'wat Nation to meet the reporting requirements of various funding agencies. Our audit report on the other set of financial statements was issued to Chief and Council of the Lil'wat Nation and was dated July 21, 2015.

BDO Canada LLP


Chartered Professional Accountants

Kelowna, British Columbia
July 21, 2015

LIL'WAT NATION
Statement of Financial Position

March 31	2015	2014
		Restated (Note 20)
Financial Assets		
Cash	\$ 88,231	\$ 66,143
Restricted cash (Note 2)	2,846,511	3,355,958
Restricted temporary investments (Note 3)	6,763,288	6,152,212
Accounts receivable (Note 4)	1,117,526	1,478,512
Due from related entities (Note 5)	535,688	1,100,898
Investment in business enterprises and partnerships (Note 6)	6,554,203	5,246,450
Ottawa Trust Funds	263,286	253,442
	<u>18,168,733</u>	<u>17,653,615</u>
Financial Liabilities		
Bank indebtedness (Note 7)	1,163,100	960,858
Accounts payable and accrued liabilities	1,462,835	1,815,057
Deferred revenue (Note 8)	3,753,862	3,615,232
Due to related entities (Note 5)	577,250	593,414
Obligation under capital lease (Note 9)	84,116	107,695
Long term debt (Note 10)	7,984,174	8,257,023
	<u>15,025,337</u>	<u>15,349,279</u>
Net Financial Assets	3,143,396	2,304,336
Non - Financial Assets		
Tangible capital assets (Note 11)	43,846,123	44,035,125
Prepaid expenses	234,475	177,159
	<u>44,080,598</u>	<u>44,212,284</u>
Accumulated Surplus (Note 12)	<u>\$ 47,223,994</u>	<u>\$ 46,516,620</u>

Approved on behalf of the Band Council

 Chief

 Chairperson of Finance and Audit Committee

 Senior Financial Officer

 Senior Administrator

LIL'WAT NATION
Statement of Financial Activity

For the year ended March 31	Budget	2015	2014 Restated (Note 20)
Revenue			
Aboriginal Affairs and Northern Development Canada\$	8,664,052	\$ 8,889,974	\$ 9,761,320
Canada Mortgage and Housing Corporation	162,387	162,514	162,387
Department of Fisheries and Oceans Canada	225,000	244,349	218,550
First Nations Education Steering Committee	359,823	387,388	523,216
First Nations Employment Society	262,398	292,533	262,530
First Nations Health Authority	1,978,284	2,050,938	2,039,403
Province of British Columbia	1,500,654	1,347,934	1,680,326
Rental income	876,300	848,687	858,649
Other income	5,256,551	2,907,080	3,109,769
Income from business enterprises	-	1,307,753	1,351,985
Interest income	-	4,789	9,467
BC special grant	-	5,055	5,097
	19,285,449	18,448,994	19,982,699
Expenses (Note 18)			
Operations Fund	15,003,042	13,902,496	15,063,249
Capital Fund	301,962	24,117	393,612
Xit'olacw Housing Fund	482,317	479,152	462,932
Xit'olacw Community School Fund	3,402,432	3,339,166	3,365,132
Funding agency repayments	-	(13,811)	(181,615)
CMHC approved expenditures	-	10,500	16,562
	19,189,753	17,741,620	19,119,872
Annual surplus	95,696	707,374	862,827
Accumulated surplus, beginning of year, as previously reported		48,221,078	45,653,793
Prior period adjustments (Note 20)		(1,704,458)	-
Accumulated surplus, beginning of year, as restated	46,516,620	46,516,620	45,653,793
Accumulated surplus (Note 12), end of year	\$ 46,612,316	\$ 47,223,994	\$ 46,516,620

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

LIL'WAT NATION
Statement of Change in Net Financial Assets

For the year ended March 31	Budget	2015	2014 Restated (Note 20)
Annual surplus	\$ 95,696	\$ 707,374	\$ 862,827
Acquisition of tangible capital assets (Note 11)	(1,782,844)	(1,128,122)	(1,558,702)
Amortization of tangible capital assets (Note 11)	1,161,331	1,317,124	1,307,844
Change in prepaid expenses	-	(57,316)	(31,473)
	(525,817)	839,060	580,496
Net financial assets, beginning of year, as previously reported	-	4,411,072	1,723,840
Prior period adjustments (Note 20)	-	(2,106,736)	-
Net financial assets, beginning of year, as restated	2,304,336	2,304,336	1,723,840
Net financial assets, end of year	\$ 1,778,519	\$ 3,143,396	\$ 2,304,336

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

LIL'WAT NATION
Statement of Cash Flows

For the year ended March 31

	2015	2014
		Restated (Note 20)
Cash flows provided by (used in) operating activities		
Cash receipts from all funding sources	\$ 17,539,986	\$ 18,423,014
Cash paid to employees and suppliers	(16,526,052)	(16,686,039)
Interest paid	(296,717)	(293,082)
	<u>717,217</u>	<u>1,443,893</u>
 Cash flows provided by (used in) capital activities		
Purchase of tangible capital assets	<u>(1,128,122)</u>	<u>(1,473,011)</u>
 Cash flows provided by (used in) investing activities		
Change in long term investments	89,607	(1,831,326)
Purchase of short term restricted temporary investments	(611,076)	(133,760)
Change in Ottawa trust funds	(9,844)	307,436
	<u>(531,313)</u>	<u>(1,657,650)</u>
 Cash flows provided by (used in) financing activities		
Repayment of long term debt	139,007	175,079
Advances (to) from related parties	549,046	1,938,344
Repayment of capital leases	(23,579)	(17,996)
Issuance of long term debt	(411,857)	(402,278)
	<u>252,617</u>	<u>1,693,149</u>
 Increase (decrease) in cash and bank indebtedness	<u>(689,601)</u>	<u>6,381</u>
Cash and bank indebtedness, beginning of year	<u>2,461,243</u>	<u>2,454,862</u>
Cash and bank indebtedness, end of year	<u>\$ 1,771,642</u>	<u>\$ 2,461,243</u>
 Represented by:		
Cash	\$ 88,231	\$ 66,143
Restricted cash	2,846,511	3,355,958
Bank indebtedness	(1,163,100)	(960,858)
	<u>\$ 1,771,642</u>	<u>\$ 2,461,243</u>

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

LIL'WAT NATION

Summary of Significant Accounting Policies

March 31, 2015

Basis of Presentation	It is the policy of the Lil'wat Nation (the "First Nation") to follow accounting principles generally accepted for First Nations in the Province of British Columbia. They have been prepared using guidelines issued by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. 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 Lil'wat Nation reporting entity includes the Lil'wat Nation 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 include on a modified equity basis the assets, liabilities and results of operations of the following organizations which use accounting principles which lend themselves to combine on a modified equity basis with the Lil'wat Nation:</p> <ul style="list-style-type: none">- Lil'wat Holdings Limited Partnership- 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 Lil'wat Nation 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 Lil'wat Nation are as follows:</p> <ul style="list-style-type: none">- Operations Fund- Capital Fund- Xit'olacw Housing Fund- Xit'olacw Community School Fund
Cash and Cash Equivalents	Cash and cash equivalents includes cash and investments in money market funds.

LIL'WAT NATION
Summary of Significant Accounting Policies

March 31, 2015

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.								
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.								

LIL'WAT NATION
Summary of Significant Accounting Policies

March 31, 2015

Revenue Recognition

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.

Rental revenue is recognized as it becomes receivable under the terms of the rental agreement.

Sales of service and other revenue is recognized on an accrual basis.

All other revenue is recognized as it is earned.

Deferred Revenue

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.

Financial Instruments

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.

Use of Estimates

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

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

1. Economic Dependence

The Lil'wat Nation receives 48% (2014 - 45%) of its revenue pursuant to funding arrangements with Aboriginal Affairs and Northern Development Canada ("AANDC").

2. Restricted Cash

	2015	2014
Xit'olacw Housing Operations		
Replacement reserve (Note 13)	\$ 451,183	\$ 414,846
Operating reserve (Note 14)	-	75,627
Restricted funds	<u>9,158,616</u>	<u>9,017,697</u>
	<u>\$ 9,609,799</u>	<u>\$ 9,508,170</u>

Restricted Cash is represented by:

Restricted cash	\$ 2,846,511	\$ 3,355,958
Restricted temporary investments (Note 3)	<u>6,763,288</u>	<u>6,152,212</u>
	<u>\$ 9,609,799</u>	<u>\$ 9,508,170</u>

3. Restricted Temporary Investments

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

	2015	2014
Investment cash account	\$ 18,193	\$ -
Short-term investment, interest paid at 3.18%, matures November 2, 2015	1,534,322	1,551,992
Short-term investment, interest paid at 2.00%, matures March 3, 2016	483,067	-
GIC, interest paid on maturity at 2.20% on December 9, 2015	782,245	782,245
GIC, interest paid on maturity at 1.75% on July 14, 2015	530,532	-
GIC, interest paid on maturity at 1.40% on March 14, 2016	1,120,771	-
GIC, interest paid on maturity at 2.00% on December 12, 2016	792,793	-
GIC, interest paid on maturity at 1.60% on March 13, 2017	500,393	-
GIC, interest paid on maturity at 1.80% on March 13, 2018	500,443	-
GIC, interest paid on maturity at 2.15% on March 13, 2020	500,529	-
GIC's, matured during the year	-	3,817,975
	<u>\$ 6,763,288</u>	<u>\$ 6,152,212</u>

Funds held in temporary investments represent those monies that the Lil'wat Nation has committed for expenditures for future capital and economic development projects of the First Nation.

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

4. Accounts Receivable

	2015	2014
Current	\$ 2,688,456	\$ 2,810,272
Long term	500,194	500,000
Aboriginal Affairs and Northern Development Canada	-	438,818
	<u>3,188,650</u>	<u>3,749,090</u>
Allowance for doubtful accounts	<u>(2,071,124)</u>	<u>(2,270,578)</u>
	<u>\$ 1,117,526</u>	<u>\$ 1,478,512</u>

5. Due To/From Related Entities

Due From Related Entities

	2015	2014
Lil'wat Construction Enterprises Limited Partnership	\$ 257,901	\$ 591,929
Lil'wat Capital Assets Limited Partnership	271,258	508,806
Lil'wat Retail Operations Limited Partnership	6,529	-
0542131 BC Ltd.	-	163
	<u>\$ 535,688</u>	<u>\$ 1,100,898</u>

Due To Related Entities

	2015	2014
Lil'wat Forestry Ventures Limited Partnership	\$ 158,041	\$ 158,165
Lil'wat Management Services Limited Partnership	26,837	28,000
0915799 BC Ltd.	1	1
Lil'wat Retail Operations Limited Partnership	-	19,304
Squamish Lil'wat Cultural Centre	<u>392,371</u>	<u>387,944</u>
	<u>\$ 577,250</u>	<u>\$ 593,414</u>

Related Party Transactions

During the year, the Lil'wat Nation received administration fees from a related party, Lil'wat Management Services Limited Partnership, in the amount of \$73,399 (2014 - \$56,000).

During the year, the Lil'wat Nation received administration fees from a related party, Lil'wat Construction Enterprises Limited Partnership, in the amount of \$9,096 (2014 - \$Nil).

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

5. Due To/From Related Entities (continued)

Related Party Transactions (continued)

During the year, the Lil'wat Nation received a contribution towards the Wedge Creek Project from a related party, Lil'wat Construction Enterprises Limited Partnership, in the amount of \$50,000 (2014 - \$45,000).

During the year, the Lil'wat Nation received land lease income from a related party, Lil'wat Capital Assets Limited Partnership, for land held in trust in the amount of \$52,000 (2014 - \$88,129).

During the year, the Lil'wat Nation incurred expenses on behalf of Lil'wat Construction Enterprises Limited Partnership in the amount of \$56,210 (2014 - \$54,909).

During the year, the Lil'wat Nation paid management fees to Lil'wat Management Services Limited Partnership in the amount of \$26,837 (2014 - \$28,000).

During the year, the Lil'wat Nation contributed \$247,114 (2014 - \$283,368) 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 and Partnerships

	2015	(restated) 2014
0542131 BC Ltd., dissolved during the year	\$ -	\$ 1
0773099 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0775448 BC Ltd., wholly owned by the Lil'wat Nation	2	2
0780174 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0780176 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0780179 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0780182 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0780185 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0781242 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0781316 BC Ltd., 50% owned by the Lil'wat Nation	1	1
0915799 BC Ltd., wholly owned by the Lil'wat Nation	1	1
Baxter Creek Limited Partnership, 50% owned by the Lil'wat Nation	2,500,000	2,500,000
Lil'wat Holdings Limited Partnership, 99.99% controlled by the Lil'wat Nation	4,054,192	2,746,438
	<u>\$ 6,554,203</u>	<u>\$ 5,246,450</u>

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

6. Investment in Business Enterprises and Partnerships (continued)

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

(a) Summary of Financial Position	2015	2014
Assets		
Cash and short term investments	\$ 742,762	\$ 209,141
Accounts receivable	340,340	986,278
Inventory	320,502	476,317
Prepays and other assets	1,311,613	925,886
Forestry licenses	911,858	876,938
Long term investments	876,938	226,361
Tangible capital assets	<u>4,369,963</u>	<u>5,129,634</u>
Total Assets	<u>8,873,976</u>	<u>8,830,555</u>
Liabilities		
Accounts payable and accrued liabilities	1,043,045	955,251
Due to related parties	344,803	761,944
Reforestation obligation	267,982	439,149
Long term debt	<u>664,914</u>	<u>1,428,740</u>
Total Liabilities	<u>2,320,744</u>	<u>3,585,084</u>
Net Assets	<u>\$ 6,553,232</u>	<u>\$ 5,245,471</u>

(b) Summary of Financial Activities	2015	2014
Total Revenues	\$ 13,248,782	\$ 16,967,966
Total Expenses	<u>11,941,021</u>	<u>14,635,465</u>
Income for the year	<u>\$ 1,307,761</u>	<u>\$ 2,332,501</u>

7. Bank Indebtedness

The First Nation has a line of credit with a total credit limit of \$1,100,000 (2014 - \$1,100,000), bearing interest at prime plus 0.5% (2014 - prime plus 0.5%), secured by a general security agreement, payable in monthly payments of interest only. At March 31, 2015 the amount of line of credit utilized was \$825,000 (2014 - \$390,000).

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

8. Deferred Revenue

		<u>2015</u>	<u>2014</u>
Deferred AANDC revenue			
ACRS 2011		\$ -	\$ 40,367
ACRS 2014	#3289	20,965	-
Bands and Private Housing		-	6,694
Bands and Private Housing		-	35,950
Basic Needs	#5147	95,630	-
Capital Surplus Projects	#5344	43,119	78,119
Child Out Of Parental Home Allowance	#5566	25,896	-
Mould Renovations	#6222	-	23,964
		<u>185,610</u>	<u>185,094</u>
Other deferred revenue			
BC Rail Trust Funds		-	30,335
First Nations Health Authority		19,909	-
Insurance proceeds		175,000	-
Lil'wat Housing Legacy		3,254,504	3,254,504
New Relationship Trust		21,010	-
Province of British Columbia		10,557	34,387
Ullus Funding - Lift		38,483	-
Other		48,789	110,912
		<u>\$ 3,753,862</u>	<u>\$ 3,615,232</u>

9. Obligation Under Capital Lease

	<u>2015</u>	<u>2014</u>
Royal Bank - Capital Fund - Payable in monthly payments of \$750 including interest at 4.72%, secured by specific assets, maturing March 2018.	\$ 25,120	\$ 32,735
Royal Bank - Capital Fund - Payable in monthly payments of \$1,596 including interest at 4.71%, secured by specific assets, maturing July 2018.	<u>58,996</u>	<u>74,960</u>
	84,116	107,695
Less current portion	<u>24,715</u>	<u>23,579</u>
	<u>\$ 59,401</u>	<u>\$ 84,116</u>

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

9. Obligation Under Capital Lease (continued)

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

2016	\$ 28,150
2017	28,150
2018	28,150
2019	<u>6,384</u>
	90,834
Less imputed interest	<u>(6,718)</u>
	<u>\$ 84,116</u>

10. Long Term Debt

Lil'wat Nation - Operations Fund

CIBC - renovation loan, repayable in monthly installments of \$778, including interest at 3.29% per annum, maturing July 1, 2019, secured by ministerial guarantee agreement and CMHC insurance.

\$ 67,554	\$ 74,300
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Bank of Nova Scotia - loan repayable in monthly installments of \$4,692, including interest at 4.00% per annum, maturing April 1, 2017, secured by assignment of assets and a ministerial guarantee agreement.

348,972	390,413
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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.

291,154	324,141
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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.

<u>34,735</u>	<u>45,864</u>
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Balance carried forward

<u>\$ 742,415</u>	<u>\$ 834,718</u>
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LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

10. Long Term Debt (continued)

	2015	(restated) 2014
Balance brought forward	\$ 742,415	\$ 834,718
Lil'wat Nation - Operations Fund		
All Nations Trust Company - loan repayable in monthly installments of \$3,202, including interest at 5.24% per annum, maturing March 1, 2019, secured by ministerial guarantee agreement.	383,126	402,278
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.	2,529,055	2,774,659
Royal Bank - 0775448 BC Ltd Loan - repayable in monthly installments of \$9,933, including interest at prime plus .9% per annum, maturing May 30, 2015.	444,072	574,280
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.	32,797	36,107
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.	166,510	183,312
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.	244,744	265,612
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.	89,116	96,362
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.	174,326	188,499
Balance carried forward	\$ 4,806,161	\$ 5,355,827

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

10. Long Term Debt (continued)

	2015	(restated) 2014
Balance brought forward	\$ 4,806,161	\$ 5,355,827
Xit'olacw 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.	247,509	267,070
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.	282,363	304,112
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.	241,402	259,060
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.	1,994,882	2,070,954
All Nations Trust Company - Phase 21 construction mortgage including interest at 3.11% per annum, renewal date December 1, 2020, maturing November 1, 2040, secured by ministerial guarantee. Exact payment terms not yet finalized.	411,857	-
	7,984,174	8,257,023
Less current portion	674,600	631,500
	<u>\$ 7,309,574</u>	<u>\$ 7,625,523</u>

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

2016	\$ 674,600
2017	715,860
2018	731,915
2019	710,230
2020	643,500
Thereafter	4,508,069
	<u>\$ 7,984,174</u>

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

11. Tangible Capital Assets

	2015				
	Land	Buildings	Community infrastructure	Equipment	Assets under construction Total
Cost, beginning of year	\$ 17,107,661	\$ 28,620,018	\$ 13,249,655	\$ 2,277,260	\$ 851,364
Additions	-	33,672	158,554	34,284	901,612
Asset transfers	-	532,216	319,148	-	(851,364)
Cost, end of year	\$ 17,107,661	\$ 29,185,906	\$ 13,727,357	\$ 2,311,544	\$ 901,612
Accumulated amortization, beginning of year	\$ -	\$ 11,835,968	\$ 4,890,970	\$ 1,343,895	\$ -
Amortization	-	820,098	369,289	127,737	-
Accumulated amortization, end of year	\$ -	\$ 12,656,066	\$ 5,260,259	\$ 1,471,632	\$ -
Net carrying amount, end of year	\$ 17,107,661	\$ 16,529,840	\$ 8,467,098	\$ 839,912	\$ 901,612
					\$ 43,846,123

Assets under capital leases in the amount of \$166,191 (2014 - \$166,191) with related accumulated amortization of \$37,159 (2014 - \$22,202) are included in equipment.

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

11. Tangible Capital Assets (continued)

							(restated) 2014
	Land	Buildings	Community infrastructure	Equipment	Assets under construction	Total	
Cost, beginning of year	\$ 17,107,661	\$ 28,355,411	\$ 12,246,509	\$ 2,115,680	\$ 721,995	\$ 60,547,256	
Additions	-	264,607	281,151	161,580	851,364	1,558,702	
Asset transfers	-	-	721,995	-	(721,995)	-	
Cost, end of year	\$ 17,107,661	\$ 28,620,018	\$ 13,249,655	\$ 2,277,260	\$ 851,364	\$ 62,105,958	
Accumulated amortization, beginning of year	\$ -	\$ 11,038,506	\$ 4,533,624	\$ 1,190,859	\$ -	\$ 16,762,989	
Amortization	-	797,462	357,346	153,036	-	1,307,844	
Accumulated amortization, end of year	\$ -	\$ 11,835,968	\$ 4,890,970	\$ 1,343,895	\$ -	\$ 18,070,833	
Net carrying amount, end of year	\$ 17,107,661	\$ 16,784,050	\$ 8,358,685	\$ 933,365	\$ 851,364	\$ 44,035,125	

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

12. Accumulated Surplus

The Lil'wat Nation segregates its accumulated surplus into the following categories:

	2015	(restated) 2014
Equity in long term investments (Note 6)	\$ 6,554,203	\$ 5,246,450
Restricted equity for Xit'olacw Community School	231,384	231,384
Restricted equity - BC Hydro (Note 17)	5,743,798	5,743,798
Replacement reserve (Note 13)	440,494	398,284
Operating reserve (Note 14)	40,801	40,801
Equity in tangible capital assets (Note 15)	36,164,905	36,058,191
Equity in Ottawa Trust Funds (Note 16)	263,286	253,442
Deficit	(2,214,877)	(1,455,730)
	<u>\$47,223,994</u>	<u>\$ 46,516,620</u>

13. Replacement Reserve

	2015	2014
Balance, beginning of year	\$ 398,284	\$ 362,136
Add:		
Current year allocation	52,710	52,710
Less:		
Approved expenditures	10,500	16,562
Balance, end of year	440,494	398,284
Funded balance (Note 2)	451,183	414,846
Over funded balance	<u>\$ (10,689)</u>	<u>\$ (16,562)</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.

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

14. Operating Reserve

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 40,801	\$ -
Add:		
CMHC adjustment	-	77,627
Less:		
Allocation to current year deficit	-	36,826
Balance, end of year	40,801	40,801
Funded balance (Note 2)	-	75,627
Unfunded (over funded) balance	\$ 40,801	\$ (34,826)

Under the terms of the agreement with Canada Mortgage and Housing Corporation, any surplus must be retained by the First Nation 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>2015</u>	<u>(restated) 2014</u>
Balance, beginning of the year	\$ 36,058,191	\$ 35,647,397
Add:		
Purchases of tangible capital assets	1,128,122	1,558,702
Debt repayment	707,573	645,627
	1,835,695	2,204,329
Less:		
Amortization of tangible capital assets	1,317,124	1,307,844
Proceeds from new debt issuance	411,857	485,691
	1,728,981	1,793,535
	<u>\$ 36,164,905</u>	<u>\$ 36,058,191</u>

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

16. Equity in Ottawa Trust Funds

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

	Revenue	Capital	2015 Total	2014 Total
Balance, beginning of year	\$ 21,810	\$ 231,632	\$ 253,442	\$ 560,878
Add:				
Interest on trust balances	3,461	1,328	4,789	9,467
BC Special Grant	5,055	-	5,055	5,097
	8,516	1,328	9,844	14,564
Less:				
Withdrawal for Lands and Resources	-	-	-	322,000
Balance, end of year	\$ 30,326	\$ 232,960	\$ 263,286	\$ 253,442

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 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 Lil'wat Nation has internally restricted the BC Hydro settlement moneys for future capital and economic development projects of the First Nation. In 2015, no funds were withdrawn from the fund.

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

18. Expenses By Object

	Budget	2015	2014
Administration	\$ 1,085,847	\$ 20,697	\$ 17,908
Advertising	52,750	8,285	3,082
Amortization	1,161,331	1,317,124	1,307,844
Bad debts	10,000	11,264	1,078,030
CMHC approved expenses	-	10,500	16,562
Consulting	534,687	674,680	1,047,345
Contribution to Squamish Lil'wat Cultural Centre	233,372	247,114	283,368
Funding agency repayments	-	(13,811)	(181,615)
Honoraria	163,562	125,492	151,197
Insurance	344,619	352,498	313,102
Interest and bank charges	45,500	36,503	43,021
Interest on long term debt	270,863	260,214	250,061
Local revenue - property tax expenses	-	16,243	-
Office	322,743	258,706	288,304
Other services and materials	1,172,464	1,296,473	1,785,045
Professional fees	304,000	206,394	279,417
Rent	315,120	28,540	20,561
Repairs and maintenance	749,682	426,038	377,753
Social development	1,900,237	1,782,265	1,825,139
Student allowances	26,100	20,851	36,810
Supplies	603,007	642,688	459,312
Telephone and utilities	492,759	562,603	590,591
Training and workshops	643,341	544,208	408,779
Travel	514,797	597,550	645,331
Wages and benefits	8,242,972	8,308,501	8,072,925
Total expenses for the year	\$ 19,189,753	\$ 17,741,620	\$ 19,119,872

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

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 First nation 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 \$760,726 (2014 - \$759,419).
- (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.

20. Prior Period Adjustments

- (a) During the year it was determined that the prior year investment in government business enterprises and income from government business enterprises were overstated by \$1,704,458. The error in the prior year indicates that equity in government business enterprises was also overstated. The correction of this error has been reflected in the 2014 comparative figures.
- (b) During the year, the First Nation discovered that a \$402,278 loan from the All Nations Trust Company and \$402,278 of construction in progress assets were not recorded in the financial statements as at March 31, 2014. This adjustment to the financial statements increases both the long term debt and tangible capital assets as at March 31, 2014 by \$402,278. There was no impact on the statement of financial activity.

LIL'WAT NATION

Notes to Financial Statements

March 31, 2015

21. Segmented Information

Lil'wat Nation 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 Lands and Resources	Capital Fund	Xit'olacw Housing Operations	Xit'olacw Community School	Other	Total 2015 Actual	Total 2015 Budget
Revenues														
Aboriginal Affairs and Northern Development Canada	-	\$ 913,119	\$ 644,852	\$ 2,143,709	\$ 268,035	\$ 835,821	\$ 313,472	\$ 201,889	\$ 220,047	\$ -	\$ 3,349,030	\$ -	\$ 8,889,974	\$ 8,664,052
First Nations Health Authority	-	-	-	-	2,050,938	-	-	-	-	-	-	-	2,050,938	1,978,284
Province of British Columbia	-	478,478	-	222,633	646,823	-	-	-	-	-	-	-	1,347,934	1,500,654
Income from business enterprises	-	1,307,753	-	-	-	-	-	-	-	-	-	-	1,307,753	-
Other	718,739	876,101	251,888	159,334	502,013	272,172	384,534	758,183	48,648	456,739	414,200	9,844	4,852,395	7,142,459
	718,739	3,575,451	896,740	2,525,676	3,467,809	1,107,993	698,006	960,072	268,695	456,739	3,763,230	9,844	18,448,994	19,285,449
Expenses														
Purchases	416,308	1,100,246	762,296	1,979,297	845,261	1,041,098	551,601	374,107	24,117	183,387	716,096	10,500	8,004,314	9,785,450
Payroll	55,587	1,167,584	630,963	500,883	2,459,948	218,366	54,084	746,950	-	22,572	2,577,056	-	8,433,993	8,242,972
Amortization	87,971	52,250	856,476	-	1,220	-	-	-	-	273,193	46,014	-	1,317,124	1,161,331
Funding agency recoveries	-	-	-	6,950	(20,761)	-	-	-	-	-	-	-	(13,811)	-
Transfers	-	270,000	53,352	(49,126)	(50,680)	-	(30,000)	(182,672)	-	-	(10,874)	-	-	-
	559,866	2,590,080	2,303,087	2,438,004	3,234,988	1,259,464	575,685	938,385	24,117	479,152	3,328,292	10,500	17,741,620	19,189,753
Surplus (deficit) for the year	\$ 158,873	\$ 985,371	\$ (1,406,347)	\$ 87,672	\$ 232,821	\$ (151,471)	\$ 122,321	\$ 21,687	\$ 244,578	\$ (22,413)	\$ 434,938	\$ (656)	\$ 707,374	\$ 95,696
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	-	1,351,985	-	-	-	-	-	-	-	-	-	-	1,351,985	-
Other	680,919	900,991	366,443	124,973	464,410	299,021	252,315	570,709	468,955	458,562	547,803	14,564	5,149,665	4,340,597
	680,919	3,673,978	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	19,982,699	6,766,187
Expenses														
Purchases	434,902	1,918,038	992,345	2,022,499	852,474	819,553	1,044,372	347,632	372,477	189,739	758,929	16,562	9,769,522	0,163,403
Payroll	72,785	1,181,713	553,855	472,431	2,488,028	165,698	89,469	607,416	21,135	-	2,571,591	-	8,224,121	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 transactions	-	270	-	(124,828)	(65,033)	6,389	-	-	-	-	-	-	(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	9,714,992
Surplus (deficit) for the year	\$ 107,896	\$ 195,675	\$ (1,253,643)	\$ 244,413	\$ 400,516	\$ 266,088	\$ (42,484)	\$ 95,161	\$ 1,055,798	\$ (4,370)	\$ 218,921	\$ (421,144)	\$ 862,827	\$ 2,948,805

LIL'WAT NATION

Notes to Financial Statements

March 31, 2015

21. Segmented Information (continued)

The Lil'wat Nation is First Nation community of over 2,000 members located in the Pemberton Valley of British Columbia. The Lil'wat Nation 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 the Lil'wat Nation 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 First Nation, and finance and accounting activities for the First Nation 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 the Lil'wat Nation members.

Social Development

This program includes the revenue and expenses relating to the delivery of social assistance programs to the Lil'wat Nation 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 Lil'wat Nation.

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

21. Segmented Information (continued)

Lil'wat Lands & Resources

The lands and resources program includes the revenue and expenses relating to the First Nation's 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 First Nation'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 Lil'wat Nation.

22. Financial Instrument Risk

The Lil'wat Nation holds various forms of financial instruments. The nature of these instruments and the First Nation's operations expose the First Nation to interest, credit and liquidity risks. The Lil'wat Nation 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 First Nation 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 Lil'wat Nation's net exposure to loans and securities with variable interest rates:

	<u>2015</u>	<u>2014</u>
Long term debt and bank indebtedness (net exposure)	\$ (1,607,172)	\$ (1,535,138)
Restricted temporary investments	<u>6,763,288</u>	<u>6,152,212</u>
Net exposure	<u>\$ 5,156,116</u>	<u>\$ 4,617,074</u>

Management believes that changes in the market rate of interest will have an immaterial effect on the First Nation as a change in interest rate of 1% in either direction will increase or decrease interest by \$51,561 (2014 - \$46,171). There have been no changes from the previous year of policies, procedures and methods to measure this risk.

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

22. 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 First Nation 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 Lil'wat Nation'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	2015 Total
Accounts receivable	\$ 5,389	\$ 303,273	\$ 2,879,988	\$ 3,188,650
Allowance for doubtful accounts	-	-	(2,071,124)	(2,071,124)
	<u>\$ 5,389</u>	<u>\$ 303,273</u>	<u>\$ 808,864</u>	<u>\$ 1,117,526</u>
	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>

Concentration of Credit Risk

As at March 31, 2015 there were no (2014 - 2) counterparties holding more than 10% of net accounts receivables and in aggregate no amount (2014 - 40%) 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.

LIL'WAT NATION
Notes to Financial Statements

March 31, 2015

22. Financial Instrument Risk (continued)

Liquidity Risk

Liquidity risk is the risk that the Lil'wat Nation encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the First Nation 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 First Nation's financial obligations which provides an indication of possible liquidity risk:

	Current	30 to 364 days	Over 1 year	2015 Total
Bank indebtedness	\$ 1,163,100	\$ -	\$ -	\$ 1,163,100
Accounts payable and accrued liabilities	1,396,915	6,152	59,768	1,462,835
Obligation under capital lease	2,060	22,655	59,401	84,116
Long term debt	56,217	618,383	7,309,574	7,984,174
	<u>\$ 2,618,292</u>	<u>\$ 647,190</u>	<u>\$ 7,428,743</u>	<u>\$ 10,694,225</u>
	Current	30 to 364 days	Over 1 year	2014 Total (restated)
Bank indebtedness	\$ 960,858	\$ -	\$ -	\$ 960,858
Accounts payable and accrued liabilities	1,336,221	206,683	272,153	1,815,057
Obligation under capital lease	1,965	21,614	84,116	107,695
Long term debt	54,142	595,558	7,607,323	8,257,023
	<u>\$ 2,353,186</u>	<u>\$ 823,855</u>	<u>\$ 7,963,592</u>	<u>\$ 11,140,633</u>

See Note 19 for further information on possible liquidity risk arising from the Lil'wat Nation's contingencies and commitments. Management has determined that the Lil'wat Nation 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.

23. Comparative Information

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