

Soowahlie Indian Band
Consolidated Financial Statements
March 31, 2014

Soowahlie Indian Band

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For the year ended March 31, 2014

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Management's Responsibility

To the Members of Soowahlie Indian Band

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

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Soowahlie Indian Band Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Band's external auditors.

MNP LLP is appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 29, 2014

<div>Original Signed by Brenda Wallace</div>	Chief	<div>Original Signed by Laureen Backman</div>	Councillor
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Independent Auditors' Report

To the Members of Soowahlie Indian Band:

We have audited the accompanying consolidated financial statements of Soowahlie Indian Band, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 Soowahlie Indian Band as at March 31, 2014 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chilliwack, British Columbia

July 29, 2014

MNP LLP
Chartered Accountants

Soowahlie Indian Band
Consolidated Statement of Financial Position
As at March 31, 2014

	2014	2013
Financial Assets		
Cash	701,895	616,813
Restricted cash (Note 3)	2,541	2,541
Accounts receivable (Note 4)	32,671	20,825
CMHC subsidy receivable	2,704	2,704
Rent receivable	180,129	154,125
Investments (Note 5)	602,089	394,730
Funds held in trust (Note 6)	192,680	180,325
	1,714,709	1,372,063
Liabilities		
Accounts payable and accruals (Note 7)	287,076	375,796
Deferred revenue (Note 8)	90,560	90,560
Long-term debt (Note 9)	546,770	649,854
	924,406	1,116,210
Net financial assets	790,303	255,853
Contingencies (Note 10)		
Non-financial assets		
Tangible capital assets (Note 11)	2,608,029	2,736,370
Accumulated surplus (Note 12)	3,398,332	2,992,223

Approved on behalf of the Council

Original Signed by Brenda Wallace

Chief

Original Signed by Laureen Backman

Councillor

Soowahlie Indian Band

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2014

	2014 (Budget)	2014	2013 (Restated)
Revenue			
Aboriginal Affairs and Northern Development Canada	225,586	264,606	316,172
Health Canada (Note 14)	186,738	186,738	362,819
First Nations Health Authority (Note 14)	186,717	186,717	-
Canada Mortgage and Housing Corporation	32,452	32,452	32,452
Equity earnings from investments	-	207,359	93,891
Rental income	130,520	158,859	165,293
BC Hydro	255,000	127,240	260,342
Gravel sale royalties	60,000	88,390	56,485
Campsite fees	60,000	68,273	63,211
Fish sales	45,000	50,066	45,352
Other revenue	6,000	49,725	71,523
Sto:lo Tribal Council	-	36,186	11,190
First Nations Education Steering Committee Society	24,881	32,667	2,302
Sto:lo Aboriginal Skills and Employment Training	28,152	27,311	45,685
New Relationship Trust	-	24,520	3,200
Interest income	7,350	9,993	6,961
Travel and honoraria reimbursements	2,000	1,925	445
BC special distribution	890	874	892
First Nation trust funds	-	-	152,410
First Nations Summit Society	-	-	4,000
	1,251,286	1,553,901	1,694,625
Expenses			
Administration (Note 15)	199,015	305,479	346,265
Capital Projects	155,000	156,658	154,384
Education and Employment (Note 15)	53,033	106,788	99,473
Health (Note 14)	373,455	388,216	378,577
Non-Profit Housing	49,400	45,758	49,460
Maintenance	141,570	144,893	166,521
	971,473	1,147,792	1,194,680
Surplus	279,813	406,109	499,945
Accumulated surplus, beginning of year	2,992,223	2,992,223	2,492,278
Accumulated surplus, end of year	3,272,036	3,398,332	2,992,223

The accompanying notes are an integral part of these financial statements

Soowahlie Indian Band
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2014

	<i>2014 (Budget)</i>	<i>2014</i>	<i>2013</i>
Annual surplus	279,813	406,109	499,945
Purchases of tangible capital assets	-	(28,317)	-
Amortization of tangible capital assets	155,000	156,658	154,384
Increase in net financial assets	434,813	534,450	654,329
Net financial assets (debt), beginning of year	255,853	255,853	(398,476)
Net financial assets, end of year	690,666	790,303	255,853

Soowahlie Indian Band
Consolidated Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Surplus	406,109	499,945
Non-cash items		
Amortization	156,658	154,384
Increase in funds held in trust	(12,355)	(165,040)
Earnings from investment in Band business entities	(207,359)	(93,891)
	343,053	395,398
Changes in working capital accounts		
Accounts receivable	(11,846)	7,202
CMHC subsidy receivable	-	792
Rent receivable	(26,004)	(17,699)
Accounts payable and accruals	(88,720)	(34,955)
	216,483	350,738
Financing activities		
Repayment of long-term debt	(103,084)	(104,352)
Capital activities		
Purchases of tangible capital assets	(28,317)	-
Increase in cash resources	85,082	246,386
Cash resources, beginning of year	619,354	372,968
Cash resources, end of year	704,436	619,354
Cash resources are composed of:		
Cash	701,895	616,813
Restricted cash	2,541	2,541
	704,436	619,354
Supplementary cash flow information		
Interest paid	27,375	31,024

1. Operations

The Soowahlie Indian Band (the "Band") is located in the province of British Columbia, and provides various services to its members. Soowahlie Indian Band includes the Band's government and all related entities that are accountable to the Band and are either owned or controlled by the Band.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian Public Sector Accounting Standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Net financial assets

The Band's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Band is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets.

Revenue recognition

Government Transfers

Soowahlie Indian Band recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Band recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

Soowahlie Indian Band recognizes externally restricted inflows as revenue in the period the resources are used for the purposes specified in accordance with an agreement or legislation. Until this time, the Band records externally restricted inflows in deferred revenue.

First held in Ottawa Trust

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Other revenue

Other revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investments

Soowahlie Indian Band uses the modified equity method to account for its investments in various business partnerships and corporations whereby the acquisition cost is increased by the Band's proportionate share of earnings.

2. Significant accounting policies *(Continued from previous page)*

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Soowahlie Indian Band members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Band tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records for all tangible capital assets. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the following method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	40 years
Housing	straight-line	25 years
Computers	straight-line	5 years
Vehicles	straight-line	13 years
Equipment	straight-line	10 years
Bridges	straight-line	40 years
Water system infrastructure	straight-line	75 years
Water system buildings and reservoirs	straight-line	45 years
Roadway system	straight-line	60 years

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable, and amounts due from related parties, are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

2. Significant accounting policies *(Continued from previous page)*

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Band reporting entity, except for Band business entities.

The Band has consolidated the assets, liabilities, revenues and expenses of the following entities and departments:

- Th'Ewali Forestry Ltd.
- Th'Ewali Fisheries Ltd.
- Th'Ewali Resources Ltd.
- Social Housing
- Health

All inter-entity balances have been eliminated on consolidation.

Soowahlie Indian Band business entities, owned or controlled by the Band's Council but not dependent on the Band for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Band. Thus, the Band's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Segments

The Band conducts its business through a number of reportable segments as described in note 18. These operating segments are established by senior management to facilitate the achievement of the Band's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

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

Recent accounting pronouncements

Related party transactions

The Public Sector Accounting Board (PSAB) issued this Invitation to Comment (ITC) in October 2011 together with an Issues Paper, Related party transactions – Recognition and measurement, as part of its project to develop a new Public Sector Accounting (PSA) Handbook standard for related parties and related party transactions in the context of governments and government organizations. Comments on the ITC were required by November 14, 2011. The effective date of the new PSA Handbook standard has not yet been specified.

Liability for contaminated sites

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The Band has not yet determined the effect of the new section in its consolidated financial statements.

Soowahlie Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2015. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The Band has not yet determined the effect of these new standards on its consolidated financial statements.

3. Restricted cash

Restricted cash consists of the following:

	2014	2013
Replacement reserve	2,541	2,541

Under agreements with Canada Mortgage and Housing Corporation (CMHC) Soowahlie Indian Band established the following replacement reserve, funded by an annual allocation of \$23,428, to ensure replacement of buildings financed by CMHC. At March 31, 2014, \$2,541 (2013: \$2,541) has been set aside to fund this reserve. The unfunded portion at March 31, 2014 was \$318,137 (2013 - \$294,709).

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

4. Accounts receivable

Accounts receivable includes loans to Band members in the amount of \$1,050 (2013 - \$6,800).

Soowahlie Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

5. Investments

Soowahlie Indian Band has investments in the following entities:

	%	2014	2013
Centre Creek Limited Partnership	1/9	123,392	124,931
Centre Creek Management Limited - share capital	1/9	10	10
Ch-ihl-kway-uhk Tribe Society	1/9	45,767	40,294
Ts'elxweyeqw Tribe Limited Partnership	1/7	432,919	229,494
Ts'elxweyeqw Tribe Management Ltd. - share capital	1/7	1	1
		602,089	394,730

Consolidated financial information for Centre Creek Limited Partnership and Centre Creek Management Limited is as follows:

	2014	2013
Current assets	27,986	31,172
Property and equipment	2,539,492	2,581,137
	2,567,478	2,612,309
Current liabilities	639,109	594,380
Long-term debt	372,197	447,767
	1,011,306	1,042,147
Equity, beginning of year	1,570,162	1,806,836
Net loss	(13,990)	(236,674)
	1,556,172	1,570,162
	2,567,478	2,612,309

	2014	2013
Revenue	95,700	5,676
Expenses	109,690	242,350
Net loss	(13,990)	(236,674)

The Band's investment in Centre Creek Limited Partnership was established for the purpose of purchasing or otherwise acquiring real and personal property of all kinds located within the Chilliwack River Valley. The partnership is also responsible for managing the acquired properties.

The Band's investment in Centre Creek Management Limited was established as the general partner of Centre Creek Limited Partnership.

Soowahlie Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

The financial information for Ch-ihl-kway-uhk Tribe Society is as follows:

	2014	2013
Current assets	297,975	276,065
Capital assets	320	437
Due from Centre Creek Limited Partnership	128,897	99,524
	427,192	376,026
Current liabilities	15,281	13,373
Net assets, beginning of year	362,653	371,435
Excess (deficiency) of revenue over expenses	49,258	(8,782)
Net assets, end of year	411,911	362,653
	427,192	376,026

	2014	2013
Revenue	55,149	54,544
Expenses	5,891	63,326
Excess (deficiency) of revenue over expenses	49,258	(8,782)

The Band's investment in Ch-ihl-kway-uhk Tribe Society was established for the purpose of property rentals.

Soowahlie Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

Consolidated financial information for Ts'elxweyeqw Tribe Limited Partnership, Ts'elxweyeqw Tribe Management Ltd. and Ts'elxweyeqw Forestry Limited Partnership is as follows:

	2014	2013
Current assets	5,490,634	4,158,817
Property and equipment	18,492	24,130
Due from Ch-ihl-kway-uhk Forestry Limited Partnership	1,456	-
Due from Centre Creek Limited Partnership	392,466	74,496
	5,903,048	4,257,443
Current liabilities	410,304	162,951
Share capital	7	7
Equity, beginning of year	4,094,485	710,686
Net income	1,398,252	888,279
Contributions	-	2,495,520
Equity, end of year	5,492,737	4,094,485
	5,903,048	4,257,443

	2014	2013
Revenue	3,231,631	1,488,047
Expenses	1,833,379	599,768
Net income	1,398,252	888,279

The Soowahlie Indian Band's investment in Ts'elxweyeqw Tribe Limited Partnership was established for the purpose of managing the activities of the Ts'elxweyeqw Forestry Limited Partnership to ensure the protection of the tribe's interests and heritage.

The Soowahlie Indian Band's investment in Ts'elxweyeqw Tribe Management Ltd. was established as the general partner of Ts'elxweyeqw Tribe Limited Partnership and Ts'elxweyeqw Forestry Limited Partnership.

The Soowahlie Indian Band's investment in Ts'elxweyeqw Forestry Limited Partnership was established for the purpose of developing, operating and participating in various forestry operations and activities in and around Chilliwack, B.C.

Soowahlie Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

6. Funds held in trust

Capital and revenue trust monies are transferred to the Band on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the Band's Council.

	2014	2013
Capital Trust		
Balance, beginning of year	14,783	2,093
Land purchase	-	12,690
Balance, end of year	14,783	14,783
Revenue Trust		
Balance, beginning of year	165,542	13,192
Interest	5,231	4,448
Rental	6,250	5,400
Special (BC)	874	892
Road widening project	-	152,410
	177,897	176,342
Less: Transfers to the Band	-	10,800
Balance, end of year	177,897	165,542
Total	192,680	180,325

7. Accounts payable and accruals

Included in accounts payable and accruals is the balance of legal settlement costs of \$216,429 (2013 - \$312,143). This settlement is to be paid by the band over a three year period.

8. Deferred revenue

Recognition of revenue is deferred for the following program until related costs are incurred. These deferred revenues are committed to the program based on funding agency guidelines.

	2014	2013
Capital General CPMS 1754 2843 2938	90,560	90,560

Soowahlie Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

9. Long-term debt

	2014	2013
Project VI - All Nations Trust Company mortgage - payments of \$1,216 per month, including interest at 1.68% per annum; secured by Ministerial Guarantee of the Minister of Aboriginal Affairs and Northern Development Canada; due on April 1, 2018.	56,514	69,882
Project VII - Toronto Dominion Bank mortgage - payments of \$1,677 per month, including interest at 4.93% per annum; secured by Ministerial Guarantee of the Minister of Aboriginal Affairs and Northern Development Canada; due on August 1, 2015	92,109	106,968
Project VIII - All Nations Trust Company mortgage - payments of \$2,979 per month, including interest at 1.64% per annum; secured by Ministerial Guarantee of the Minister of Aboriginal Affairs and Northern Development Canada; due on November 1, 2016.	90,491	124,336
Project IX - Toronto Dominion Bank mortgage - payments of \$2,558 per month, including interest at 6.00% per annum; secured by Ministerial Guarantee of the Minister of Aboriginal Affairs and Northern Development Canada; due on August 1, 2015	233,711	248,917
Loan - RBC Demand Loan - payments of \$2,397 per month, including interest at 4.05% per annum; secured by general security agreement on assets of the Band; due on December 6, 2016.	73,945	99,751
	546,770	649,854

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed at similar rates and terms, are estimated as follows:

2015	108,072
2016	111,839
2017	91,407
2018	53,447
2019	41,272

10. Contingent liabilities

The Soowahlie Indian Band is contingently liable in respect of guaranteed housing mortgages which total \$472,825 (2013 - \$608,237).

Soowahlie Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

11. Tangible capital assets

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2014 Net book value</i>
Buildings	1,009,271	-	-	666,635	342,636
Housing	2,625,940	-	-	2,122,352	503,588
Equipment	29,451	28,315	-	30,840	26,926
Roads	778,866	-	-	338,450	440,416
Water	1,571,526	-	-	453,321	1,118,205
Bridges	437,273	-	-	273,295	163,978
Computers	10,318	-	-	10,318	-
Vehicles	19,951	-	-	7,671	12,280
	6,482,596	28,315	-	3,902,882	2,608,029

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Accumulated amortization</i>	<i>2013 Net book value</i>
Buildings	1,009,271	-	-	640,428	368,843
Housing	2,625,940	-	-	2,043,515	582,425
Equipment	29,451	-	-	27,193	2,258
Roads	778,866	-	-	325,443	453,423
Water	1,571,526	-	-	430,828	1,140,698
Bridges	437,273	-	-	262,364	174,909
Computers	10,318	-	-	10,318	-
Vehicles	19,951	-	-	6,137	13,814
	6,482,596	-	-	3,746,226	2,736,370

Amortization expense of \$156,658 (2013 - \$154,384) was recorded in the Capital Fund program.

12. Accumulated surplus

Accumulated surplus consists of the following:

	<i>2014</i>	<i>2013</i>
Equity in Ottawa Trust Funds	192,680	180,324
Equity in CMHC replacement reserve	320,678	297,250
Equity in tangible capital assets	2,125,733	2,181,716
Unrestricted surplus (deficit)	759,242	332,933
	3,398,333	2,992,223

13. Economic dependence

Soowahlie Indian Band receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by AANDC under the terms and conditions of the Indian Act. The ability of the Band to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these funding agreements.

Soowahlie Indian Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

14. Transition to First Nations Health Authority

Health Canada has transferred its funding responsibilities to First Nations Health Authority (FNHA) in accordance with a Three Party Novation Agreement signed by Her Majesty the Queen in Right of Canada, First Nations Health Authority, and Soowahlie Indian Band.

The FNHA and Soowahlie Indian Band are deemed to have entered into a new agreement between themselves commencing on October 1, 2013, having terms that are identical to those of the previous agreement between Health Canada and Soowahlie Indian Band.

The new Health Funding Contribution Agreement has had no impact on the Band's financial position or operations. The allocation of funds received from Health Canada and FNHA, together with expenses associated with the contributions, are as follows:

	<i>Health Canada</i>	<i>FNHA</i>	<i>Total</i>
Revenue	186,738	186,717	373,455
Expenses	(181,950)	(206,266)	(388,216)
	4,788	(19,549)	(14,761)

15. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

16. Financial instruments

The Soowahlie Indian Band's financial instruments consist of cash, receivables, advances to Band business entities, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the Soowahlie Indian Band is not exposed to significant currency or credit risk arising from these financial instruments. The band may be exposed to some interest/price adjustment risk due to some mortgages due for renewal during the next fiscal year. The fair value of the instruments approximates their carrying values, unless otherwise noted.

17. Segments

Soowahlie Indian Band receives revenues and incurs expenses from many different projects and sources. For management and reporting purposes, the revenues, expenses and surplus or deficits are organized by segments. Schedules 2 - 8 disclose the Band's revenues and expenses in the following segments:

Administration

Includes general operations, support, and financial management of the Band.

Capital Projects

Includes revenue and expenditures related to capital projects.

Education and employment

Includes revenues and expenses related to various levels of education programs and growth and revenue producing projects for the members of the Band.

Health

Includes activities related to the provision of health services within the band.

Housing

Includes rent collection and maintenance related to the mortgaged and non-mortgaged homes owned by the Band.

Maintenance

Includes revenues and expenditures related to conservation and stewardship of the Nation's land and resources.

Ottawa Trust

Includes funds held in trust by the Government of Canada on behalf of the Band.

Soowahlie Indian Band
Schedule 1 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2014

	2014 (Budget)	2014	2013
Consolidated expenses by object			
Administration fees	-	7,016	14,863
Amortization	155,000	156,658	154,384
Bad debts	-	462	-
Bank charges and interest	1,250	10,481	8,210
Christmas expense	12,000	13,895	13,400
Community events	3,000	15,983	18,576
Consulting	-	21,467	3,672
Contracted services	-	-	200
Donations and funeral costs	3,000	5,790	3,200
Elders fees	-	1,584	-
Election	5,000	320	5,900
Fire Protection	11,075	11,075	-
Health	323,455	342,754	319,216
Honoraria	23,184	20,602	24,690
Insurance	19,078	39,892	37,987
Interest on long-term debt	26,000	27,046	30,800
Internet	2,100	1,530	1,570
Meeting	2,000	-	300
Office equipment lease	10,829	11,554	6,820
Office supplies	7,975	8,540	8,928
Professional fees	20,750	11,798	37,712
Program expense	-	3,530	2,840
Rent	-	203	2,395
Repairs and maintenance	68,500	80,974	184,429
Salaries and benefits	209,811	273,541	230,730
Special projects	5,000	7,399	5,238
Supplies	14,000	4,774	10,195
Telephone	14,080	15,642	7,425
Training	12,486	15,577	25,375
Travel	7,400	7,264	7,147
Utilities	13,000	16,999	14,497
Vehicle	1,500	391	2,337
Youth activities	-	13,051	11,644
	971,473	1,147,792	1,194,680

Soowahlie Indian Band
Administration

Schedule 2 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2014

	2014 (Budget)	2014	2013 (Restated)
Revenue			
Aboriginal Affairs and Northern Development Canada	112,156	128,182	128,179
Equity earnings from investments	-	207,359	93,891
BC Hydro	255,000	127,240	260,342
Gravel sale royalties	60,000	88,390	56,485
Campsite fees (Note 15)	60,000	68,273	63,211
Rental income	31,620	65,531	66,612
Fish sales (Note 15)	45,000	50,066	45,352
Other revenue	6,000	39,725	16,210
Sto:lo Tribal Council	-	36,186	11,190
Interest income	2,500	4,183	2,200
Travel and honoraria reimbursements	2,000	1,925	445
	574,276	817,060	744,117
Expenses			
Administration fees	-	7,016	11,638
Bad debts	-	462	-
Bank charges and interest	1,100	10,062	8,069
Christmas expense	12,000	13,895	13,400
Community events	3,000	10,723	4,020
Consulting	-	5,905	672
Donations and funeral costs	3,000	5,790	3,200
Election	5,000	320	5,900
Honoraria	23,184	20,602	24,350
Insurance	5,138	27,549	24,963
Interest on long-term debt	-	3,415	4,558
Internet	2,100	1,530	1,570
Meeting	2,000	-	300
Office equipment lease	6,500	11,205	6,346
Office supplies	5,975	7,732	3,358
Professional fees	17,000	6,445	19,962
Program expense	-	2,000	-
Rent	-	143	90
Repairs and maintenance	11,500	14,461	134,003
Salaries and benefits	106,238	154,576	97,370
Special projects	-	1,078	(316)
Supplies	14,000	4,774	10,195
Telephone	12,880	13,865	6,428
Training	5,000	7,139	7,662
Travel	5,400	4,422	3,740
Utilities	8,000	9,899	7,943
Vehicle	-	(655)	1,334
Youth activities	-	6,588	4,871
Administration charged to other functions	(50,000)	(45,462)	(59,361)
	199,015	305,479	346,265
Surplus before transfers	375,261	511,581	397,852

Continued on next page

**Soowahlie Indian Band
Administration**

Schedule 2 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus
For the year ended March 31, 2014

	2014 (Budget)	2014	2013 (Restated)
Surplus before transfers <i>(Continued from previous page)</i>	375,261	511,581	397,852
Transfers between segments	-	(23,395)	86,193
Surplus	375,261	488,186	484,045
Accumulated surplus (deficit), beginning of year	358,729	358,729	(125,316)
Accumulated surplus, end of year	733,990	846,915	358,729

Soowahlie Indian Band
Capital Projects

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2014

	2014 (Budget)	2014	2013
Expenses			
Amortization	155,000	156,658	154,384
Deficit before transfers	(155,000)	(156,658)	(154,384)
Transfers between segments	77,500	100,674	77,516
Deficit	(77,500)	(55,984)	(76,868)
Accumulated surplus, beginning of year	2,181,717	2,181,717	2,258,585
Accumulated surplus, end of year	2,104,217	2,125,733	2,181,717

Soowahlie Indian Band
Education and Employment

Schedule 4 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2014

	2014 (Budget)	2014	2013 (Restated)
Revenue			
Aboriginal Affairs and Northern Development Canada	-	-	2,633
First Nations Education Steering Committee Society	24,881	32,667	2,302
Sto:lo Nation Human Resources Development	28,152	27,311	45,685
New Relationship Trust	-	24,520	3,200
Other revenue	-	10,000	42,623
First Nations Summit Society	-	-	4,000
	53,033	94,498	100,443
Expenses			
Administration fees	-	-	3,225
Community events	-	5,260	5,937
Consulting	-	13,562	-
Contracted services	-	-	200
Elders fees	-	1,584	-
Honoraria	-	-	340
Office equipment lease	-	-	249
Office supplies	-	-	900
Program expense	-	1,530	2,840
Rent	-	60	305
Repairs and maintenance	-	5,250	-
Salaries and benefits	41,747	59,057	66,025
Special projects	5,000	6,321	5,054
Training	6,286	7,601	7,625
Travel	-	100	-
Youth activities	-	6,463	6,773
	53,033	106,788	99,473
Surplus (deficit) before transfers	-	(12,290)	970
Transfers between segments	-	-	(6,887)
Deficit	-	(12,290)	(5,917)
Accumulated surplus, beginning of year	39,676	39,676	45,593
Accumulated surplus, end of year	39,676	27,386	39,676

**Soowahlie Indian Band
Health**

Schedule 5 - Consolidated Schedule of Revenue and Expenses and Accumulated Deficit

For the year ended March 31, 2014

	<i>2014 (Budget)</i>	<i>2014</i>	<i>2013</i>
Revenue			
Health Canada	186,738	186,738	362,819
First Nations Health Authority	186,717	186,717	-
	373,455	373,455	362,819
Expenses			
Aboriginal Diabetes Initiative	15,202	15,513	21,512
Brighter Futures	35,174	36,089	42,094
Canada Prenatal Nutrition Program	6,401	6,281	7,099
Community Health Representative	31,466	32,980	32,385
Drinking Water Safety Program	10,960	10,909	7,800
FNIHCC-HCN/BHC	5,756	5,664	6,297
Mental Health Crisis Management	21,858	37,724	22,501
NNADAP	34,017	34,840	34,039
Solvent Abuse Program	4,747	3,648	4,518
Clerical Support Services	5,922	4,436	5,984
Community Health Nursing	29,358	29,574	30,415
FNIHCC-Ph3	57,649	63,026	61,052
Health Facilities and Capital Program	27,044	27,616	26,043
Health Planning and Management	81,195	73,790	68,500
Medical Transportation	6,081	6,081	7,491
Other expenses	625	45	847
	373,455	388,216	378,577
Deficit	-	(14,761)	(15,758)
Accumulated surplus (deficit), beginning of year	(8,231)	(8,231)	7,527
Accumulated deficit, end of year	(8,231)	(22,992)	(8,231)

Soowahlie Indian Band
Non-Profit Housing

Schedule 6 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2014

	2014 (Budget)	2014	2013
Revenue			
Canada Mortgage and Housing Corporation	32,452	32,452	32,452
Rental income	93,500	87,078	93,281
Interest income	350	579	313
	126,302	120,109	126,046
Expenses			
Bank charges and interest	150	420	140
Insurance	12,500	10,309	12,466
Interest on long-term debt	26,000	23,632	26,242
Professional fees	3,750	4,000	3,750
Repairs and maintenance	7,000	7,397	6,862
	49,400	45,758	49,460
Surplus before transfers	76,902	74,351	76,586
Transfers between segments	(77,500)	(77,279)	(146,022)
Deficit	(598)	(2,928)	(69,436)
Accumulated surplus, beginning of year	26,876	26,876	96,312
Accumulated surplus, end of year	26,278	23,948	26,876

Soowahlie Indian Band
Maintenance

Schedule 7 - Consolidated Schedule of Revenue and Expenses and Accumulated Operating Surplus

For the year ended March 31, 2014

	2014 (Budget)	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	129,030	136,424	185,360
Expenses			
Community events	-	-	8,619
Consulting	-	2,000	3,000
Fire Protection	11,075	11,075	-
Insurance	1,440	2,033	558
Office equipment lease	4,329	349	225
Office supplies	2,000	808	4,670
Professional fees	-	1,353	14,000
Rent	-	-	2,000
Repairs and maintenance	50,000	53,866	43,564
Salaries and benefits	61,826	59,908	67,336
Special projects	-	-	500
Telephone	1,200	1,776	997
Training	1,200	837	10,088
Travel	2,000	2,742	3,407
Utilities	5,000	7,100	6,554
Vehicle	1,500	1,046	1,003
	141,570	144,893	166,521
Surplus (deficit)	(12,540)	(8,469)	18,839
Accumulated surplus, beginning of year	213,135	213,135	194,296
Accumulated surplus, end of year	200,595	204,666	213,135

**Soowahlie Indian Band
Ottawa Trust**

Schedule 8 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus

For the year ended March 31, 2014

	2014 (Budget)	2014	2013
Revenue			
Rental income	5,400	6,250	5,400
Interest income	4,500	5,231	4,448
BC special distribution	890	874	892
Land purchase	-	-	12,690
First Nation trust funds	-	-	152,410
Surplus before transfers	10,790	12,355	175,840
Transfers between segments	-	-	(10,800)
Surplus	10,790	12,355	165,040
Accumulated surplus, beginning of year	180,324	180,324	15,284
Accumulated surplus, end of year	191,114	192,679	180,324