

BRIDGE RIVER INDIAN BAND
Consolidated Financial Statements
Year Ended March 31, 2014

BRIDGE RIVER INDIAN BAND
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Year Ended March 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of BRIDGE RIVER INDIAN BAND

We have audited the accompanying consolidated financial statements of BRIDGE RIVER INDIAN BAND, which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statements of revenues and expenditures, changes in net financial assets, remeasurement gains and losses 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.

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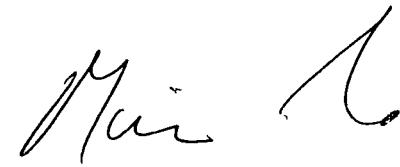
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Independent Auditor's Report to the Members of BRIDGE RIVER INDIAN BAND *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BRIDGE RIVER INDIAN BAND as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



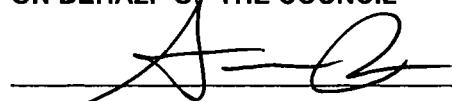
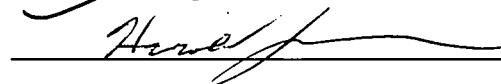
White Rock, British Columbia
July 23, 2014

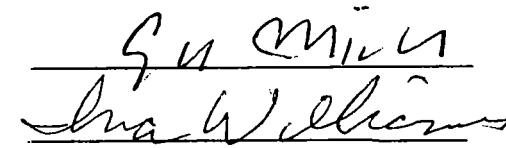
CHARTERED ACCOUNTANTS LLP

BRIDGE RIVER INDIAN BAND
Consolidated Statement of Financial Position
March 31, 2013

	2014	2013
FINANCIAL ASSETS		
Cash	\$ 1,539,074	\$ 3,240,237
Restricted cash	556,899	547,714
Accounts receivable	663,172	745,988
Goods and services tax recoverable	1,430	748
Investments	<u>2,864,870</u>	205,626
	<u>5,625,445</u>	4,740,313
LIABILITIES		
Accounts payable	218,056	205,320
Wages payable	30,265	446
Long-term debt (Note 3)	<u>1,906,446</u>	2,076,029
Deferred revenue	<u>300,051</u>	-
	<u>2,454,818</u>	2,281,795
NET FINANCIAL ASSETS	<u>3,170,627</u>	2,458,518
NON-FINANCIAL ASSETS		
Prepaid expenses	10,688	15,227
Tangible Capital Assets (Note 2)	<u>6,539,014</u>	6,898,170
	<u>6,549,702</u>	6,913,397
ACCUMULATED SURPLUS	<u>\$ 9,720,329</u>	\$ 9,371,915

ON BEHALF OF THE COUNCIL


Chief

Councillor


Sonja Williams

BRIDGE RIVER INDIAN BAND
Consolidated Statement of Revenues and Expenditures
Year Ended March 31, 2014

	Budget 2014	2014	2013
Revenue			
Indian and Northern Affairs Canada	\$ 1,235,207	\$ 1,304,680	\$ 1,383,030
Health and Welfare Canada	315,443	157,722	311,298
Canada Mortgage and Housing Corporation	180,000	178,112	168,021
Other Government Funding	18,101	705,039	571,736
Rental income	300,000	308,945	282,064
Administration fees	85,694	167,218	174,028
Other	1,086,952	1,659,390	2,338,604
Interest income trust	-	2,209	2,459
RRF Revenue	30,000	54,933	52,896
Investment income	-	49,746	-
Prior year surplus	-	(18,138)	(27,430)
Interest income - RRF	7,000	6,976	15,265
First Nations Health Authority	-	157,722	-
	3,258,397	4,734,554	5,271,971
EXPENSES			
Amortization	525,000	526,816	498,369
Insurance	54,350	55,396	52,476
Interest and bank charges	44,700	36,583	34,149
Administration fees	179,079	208,779	175,253
Office and miscellaneous	35,185	111,914	76,737
Health and welfare	2,500	34,093	38,610
Contributions and donations	37,500	8,201	12,819
Honoraria	29,620	42,229	25,200
Replacement reserve	55,000	54,933	52,896
Fire protection	-	23,808	75,392
Student allowance and supplies	127,000	135,044	136,755
Professional fees	301,054	355,875	119,201
Rental and utilities	71,800	244,037	233,365
Repairs and maintenance	405,300	498,078	754,836
Wages and benefits	1,016,685	1,323,820	1,149,478
Contractual services	46,840	121,366	355,070
Materials and supplies	106,660	240,961	197,302
Telecommunications	14,100	18,845	15,596
Training	14,574	10,050	6,917
Travel	51,295	62,247	63,509
Roads	13,200	15,186	14,789
Community buildings	14,700	156,868	376,040
Social assistance	300,000	318,220	378,553
Workshops	6,584	11,975	5,921
Tuition	40,000	37,274	81,834
	3,492,726	4,652,598	4,931,067
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES			
	\$ (234,329)	\$ 81,956	\$ 340,904

BRIDGE RIVER INDIAN BAND
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2014

	2014	2014	2013
ANNUAL SURPLUS	\$ (234,329)	\$ 81,957	\$ 340,904
Amortization	525,000	526,816	498,369
Prepaid expenses	- 4,538	(3,671)	
Purchase of capital assets	- (167,661)	(948,711)	
Change in unrealized market value adjustment	- 266,459	-	
	<u>525,000</u>	<u>630,152</u>	<u>(454,013)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	290,671	712,109	(113,109)
Net financial assets, beginning of year	2,458,518	2,458,518	2,571,627
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,749,189	\$ 3,170,627	\$ 2,458,518

BRIDGE RIVER INDIAN Bands
Consolidated Statement of Cash Flows
Year Ended March 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 81,956	\$ 340,904
Item not affecting cash:		
Amortization of property, plant and equipment	<u>526,816</u>	498,369
	<u>608,772</u>	839,273
Changes in non-cash working capital:		
Accounts payable	12,737	(33,765)
Accounts receivable	82,816	(105,669)
Prepaid expenses	4,539	(3,671)
Goods and services tax payable (recoverable)	(683)	(549)
Wages payable	29,819	(99)
Deferred revenue	<u>300,051</u>	-
	<u>429,279</u>	(143,753)
Cash flow from operating activities	<u>1,038,051</u>	695,520
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(167,661)	(948,711)
Purchase of investments	<u>(2,392,786)</u>	-
Cash flow used by investing activities	<u>(2,560,447)</u>	(948,711)
FINANCING ACTIVITIES		
Proceeds from long term financing	92,500	699,293
Repayment of long term debt	<u>(262,082)</u>	(261,914)
Cash flow from (used by) financing activities	<u>(169,582)</u>	437,379
INCREASE (DECREASE) IN CASH FLOW	<u>(1,691,978)</u>	184,188
Cash - beginning of year	<u>3,787,951</u>	3,603,763
CASH - END OF YEAR	<u>\$ 2,095,973</u>	\$ 3,787,951
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	<u>\$ (49,746)</u>	\$ -
Interest paid	<u>\$ 36,585</u>	\$ 34,148
CASH CONSISTS OF:		
Cash	\$ 1,539,074	\$ 3,240,237
Restricted cash	<u>556,899</u>	547,714
	<u>\$ 2,095,973</u>	\$ 3,787,951

BRIDGE RIVER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards.

Fund accounting

Bridge River Indian Band ("the Nation") records accounting transactions using the fund accounting method generally in use for non-profit organizations. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund has its own statement of operations which presents the results of operations for the fund. The statement of financial position of the Nation includes the assets, liabilities and equity of all funds presented in the consolidated financial statements.

The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. Details of the operations of each Fund are set out in the Schedule of Segmented Information. The Nation maintains the following funds:

1. Social Housing - reports the social housing assets of the Nation, together with related financing and activities;
2. Enterprise - reports the business investments of the Nation, and its share of the earnings of those investments;
3. Replacement Reserve - is required by CMHC to accumulate funds in anticipation of maintaining and replacing existing specific assets;
4. Ottawa Trusts - represents revenue and capital amounts held in trust for the Nation by the federal government;
5. Equity in Capital Assets - represents the Nation's equity in Capital Assets;
6. Operations - reports the programs and operations of the Nation.

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

Tangible Capital Assets

Tangible Capital Assets are stated at cost or deemed cost less accumulated amortization. Tangible Capital Assets (other than social housing capital assets - which are amortized at a rate equal to the principal reduction in related long-term debt) are amortized over their estimated useful lives on a declining balance basis at the following rates:

Buildings	5%
Infrastructure	4%
Machinery and equipment	20%

Revenue recognition

The Nation follows the deferral method of accounting for contributions. Accordingly, amounts received under funding arrangements which relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position.

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BRIDGE RIVER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

2. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Buildings	\$ 3,795,560	\$ 755,420	\$ 3,040,140	\$ 3,200,147
Infrastructure	971,551	481,048	490,503	510,941
Machinery and equipment	1,620,461	1,135,494	484,967	417,590
Capital fund	6,387,572	2,371,962	4,015,610	4,128,678
Capital assets - Social Housing	5,531,769	3,008,364	2,523,405	2,769,492
	\$ 11,919,341	\$ 5,380,326	\$ 6,539,015	\$ 6,898,170

BRIDGE RIVER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2014

3. LONG TERM DEBT

	2014	2013
All Nations Trust loan bearing interest at 1.81% per annum, repayable in monthly blended payments of \$474. The loan matures on March 1, 2014 and is secured by a first mortgage on housing units and a ministerial guarantee.	\$ -	\$ 5,638
All Nations Trust loan bearing interest at 2.57% per annum, repayable in monthly blended payments of \$1,307. The loan matures on October 1, 2014 and is secured by a first mortgage on housing units and a ministerial guarantee.	9,071	24,312
All Nations Trust loan bearing interest at 1.8% per annum, repayable in monthly blended payments of \$2,241. The loan matures on July 1, 2016 and is secured by a first mortgage on housing units and a ministerial guarantee.	61,398	86,935
All Nations Trust loan bearing interest at 1.8% per annum, repayable in monthly blended payments of \$1,800. The loan matures on September 1, 2021 and is secured by a first mortgage on housing units and a ministerial guarantee.	151,454	170,153
All Nations Trust loan bearing interest at 1.67% per annum, repayable in monthly blended payments of \$2,122. The loan matures on February 1, 2019 and is secured by a first mortgage on housing units and a ministerial guarantee.	120,132	143,386
All Nations Trust loan bearing interest at 3.09% per annum, repayable in monthly blended payments of \$1,576. The loan matures on July 1, 2018 and is secured by a first mortgage on housing units and a ministerial guarantee.	76,486	92,900
All Nations Trust loan bearing interest at 1.67% per annum, repayable in monthly blended payments of \$1,654. The loan matures on March 1, 2024 and is secured by a first mortgage on housing units and a ministerial guarantee.	182,747	199,405
All Nations Trust loan bearing interest at 2.56% per annum, repayable in monthly blended payments of \$2,675. The loan matures on October 1, 2020 and is secured by a first mortgage on housing units and a ministerial guarantee.	194,380	221,161
All Nations Trust loan bearing interest at 1.81% per annum, repayable in monthly blended payments of \$2,508. The loan matures on March 1, 2019 and is secured by a first mortgage on housing units and a ministerial guarantee.	143,798	171,034
All Nations Trust loan bearing interest at 2.86% per annum, repayable in monthly blended payments of \$2,503. The loan matured on November 1, 2013 and was secured by a first mortgage on housing units and a ministerial guarantee.	-	19,804

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BRIDGE RIVER INDIAN BAND
Notes to Financial Statements
Year Ended March 31, 2014

3. LONG TERM DEBT *(continued)*

	2014	2013
All Nations Trust loan bearing interest at 2.86% per annum, repayable in monthly blended payments of \$2,721. The loan matures on December 1, 2019 and is secured by a first mortgage on housing units and a ministerial guarantee.	172,858	200,316
All Nations Trust loan bearing interest at 1.62% per annum, repayable in monthly blended payments of \$2,835. The loan matures on March 1, 2038 and is secured by a first mortgage on housing units and a ministerial guarantee.	675,928	699,293
CIBC - freightliner loan repayable on demand. The loan is secured by a charge on equipment.	87,875	-
CIBC - grader loan repayable on demand. The loan is secured by a charge on equipment.	<u>30,320</u>	<u>41,690</u>
	<u>\$ 1,906,447</u>	<u>\$ 2,076,027</u>

Principal repayment terms are approximately:

2015	\$ 250,164
2016	246,093
2017	228,421
2018	232,143
2019	<u>13,875</u>
	<u>\$ 970,696</u>

4. FINANCIAL INSTRUMENTS

Fair value

The carrying value of cash and cash equivalents, marketable securities, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The carrying value of the long-term debt approximates the fair value as the interest rates are consistent with the current rates offered to the Nation for debt with similar terms.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through its normal operating and financing activities. The Nation is exposed to interest rate risk primarily through its long-term debt, investments and cash.

BRIDGE RIVER INDIAN BAND
Segmented Information
Year Ended March 31, 2014

	Social Housing	Enterprise Fund	Replacement Reserve	Ottawa Trust Revenue	Ottawa Trust Capital	Equity in Capital Assets	Operations	2014
REVENUE								
Indian and Northern Affairs Canada	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,304,680	\$ 1,304,680
Health and Welfare Canada							157,722	157,722
Canada Mortgage and Housing Corporation	178,112	-	-	-	-	-	-	178,112
Other Government Funding	299,645	-	-	-	-	-	705,039	705,039
Rental income	-	-	-	-	-	-	9,300	308,945
Administration fees	-	-	-	-	-	-	167,218	167,218
Other	8,233	-	-	-	-	-	1,651,157	1,659,390
Interest income trust	-	-	2,209	-	-	-	-	2,209
RRF Revenue	-	54,933	-	-	-	-	-	54,933
Prior year surplus	-	-	-	(18,138)	-	-	-	(18,138)
Interest income - RRF	-	-	6,976	-	-	-	-	6,976
Investment income	-	-	-	-	49,746	-	49,746	-
First Nations Health Authority	-	-	-	-	157,722	-	157,722	-
	485,990	-	61,909	2,209	-	-	4,184,446	4,734,554
EXPENSES								
Administration fees	27,868	-	-	-	-	-	180,911	208,779
Amortization	246,087	-	-	-	-	-	-	526,816
Community buildings	-	-	-	-	-	-	156,868	156,868
Contractual services	-	-	-	-	-	-	121,366	121,366
Contributions and donations	-	-	-	-	-	-	8,201	8,201
Fire protection	-	-	-	-	-	-	23,808	23,808
Health and welfare	-	-	-	-	-	-	34,093	34,093
Honoraria	-	28,012	-	-	-	-	42,229	42,229
Insurance	33,936	-	-	-	-	-	27,384	55,396
Interest and bank charges	-	-	-	-	-	-	2,649	36,585
Materials and supplies	-	-	-	-	-	-	240,961	240,961
Office and miscellaneous	-	-	-	-	-	-	111,914	111,914
Professional fees	7,330	-	-	-	-	-	348,545	355,875
Rental and utilities	9,800	-	-	-	-	-	234,237	244,037
Repairs and maintenance	71,548	-	28,244	-	-	-	398,286	498,078
Replacement reserve	54,933	-	-	-	-	-	-	54,933
Roads	-	-	-	-	-	-	15,186	15,186

(continues)

BRIDGE RIVER INDIAN BAND
Segmented Information (continued)
Year Ended March 31, 2014

	Social Housing	Enterprise Fund	Replacement Reserve	Ottawa Trust Revenue	Ottawa Trust Capital	Equity in Capital Assets	Operations	2014
EXPENSES (Continued)								
Social development	-	-	-	-	-	-	318,220	318,220
Student allowance and supplies	-	-	-	-	-	-	135,044	135,044
Telecommunications	-	-	-	-	-	-	18,845	18,845
Training	-	-	-	-	-	-	10,050	10,050
Travel	-	-	-	-	-	-	62,247	62,247
Wages and benefits	-	-	-	-	-	-	1,323,820	1,323,820
Workshops	-	-	-	-	-	-	11,975	11,975
Tuition	-	-	-	-	-	-	37,274	37,274
	479,514	-	28,244	-	-	280,729	3,864,113	4,652,600
	6,476	-	33,665	2,209	-	(280,729)	320,333	81,954
SURPLUS (DEFICIT) BEGINNING OF YEAR								
Transfers	(40,770)	231,651	490,969	37,802	2,305	4,822,141	3,827,815	9,371,913
Transfer of principal payments	28,328	-	-	-	-	-	(119,483)	(91,155)
Transfer depreciation	246,087	-	-	-	-	-	-	508,169
Transfer to fund capital asset acquisition	(246,087)	-	-	-	-	-	-	(492,174)
Transfers of proceeds of long term debt	-	-	-	-	-	-	-	167,660
Change in unrealized market value adjustment	-	-	-	-	-	-	-	(92,500)
	(12,442)	231,651	490,969	37,802	2,305	4,913,296	3,974,791	9,638,372
SURPLUS (DEFICIT) END OF YEAR								
	\$ (5,966)	\$ 231,651	\$ 524,634	\$ 40,011	\$ 2,305	\$ 4,632,567	\$ 4,295,124	\$ 9,720,326

See notes to financial statements
 Morine & Co. Chartered Accountants LLP