

SKEETCHESTN INDIAN BAND
SUMMARY FINANCIAL STATEMENTS
March 31, 2014

EXHIBIT

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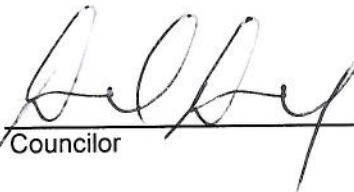
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Skeetchestn Indian Band have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgements. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Band Council is responsible for ensuring that management fulfils its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility periodically through its Finance Committee. The Finance Committee is appointed by the Council and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Finance Committee reports to Council prior to its approval of the financial statements. The Committee also considers, for review by the Council and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Daley & Company Chartered Accountants LLP in accordance with Canadian public sector accounting standards.



Councillor



Councillor



INDEPENDENT AUDITORS' REPORT

To the members of,
SKEETCHESTN INDIAN BAND

EXHIBIT A1

Report on the Financial Statements

We have audited the accompanying financial statements of SKEETCHESTN INDIAN BAND, which comprise the summary statement of financial position as at March 31, 2014, and the summary statement of accumulated surplus, summary statement of operations, summary statement of remeasurement gains and losses, summary statement of change in net financial assets and summary statement of 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 misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian 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 summary financial statements present fairly, in all material respects, the financial position of SKEETCHESTN INDIAN BAND as at March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Exhibits B1 to B3, C1 to C2, D1 to D2 and schedules 1 to 54 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the summary financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Daley & Company LLP
Chartered Accountants

Kamloops, BC
July 15, 2014

Disclaimer of Liability

These summary financial statements were examined and this Audit Opinion issued solely for the use of SKEETCHESTN INDIAN BAND. Daley & Company Chartered Accountants LLP makes no representations of any kind to any other person in respect of these financial statements and accepts no responsibility for their use by any other person in the absence of the written consent of Daley & Company Chartered Accountants LLP.

SKEETCHESTN INDIAN BAND
SUMMARY STATEMENT OF FINANCIAL POSITION
March 31, 2014

FINANCIAL ASSETS	2014	2013
Cash	\$ 2,218,845	\$ 1,279,777
Grants and accounts receivable (Note A3)	999,613	546,930
CMHC subsidy accrual	9,877	10,447
Restricted cash (Note A4)	1,755,318	1,613,842
Funds held in trust (Note A5)	4,481,263	4,379,952
Long-term investments (Note A6)	3,251	3,251
Investment in Stk'emlupsemc te Secwepemc Nation (Note A7)	1,040,658	759,683
Investment in Stk'emlupsemc Enterprises Inc. (Note A8)	(163,976)	(49,076)
Investment in Stk'emlupsemc Limited Partnership (Note A9)	5,195	-
Investment in Skeetchestn Holdings Limited Liability Partnership (Note A10)	512,411	557,240
Investment in Painted Rock Aggregates & Contracting LLP (Note A11)	347,132	628,108
Investment in Knucwentwecw Development Corporation (Note A12)	1,885,810	1,886,889
Investment in Big Sky Station Ltd. (Note A13)	749,778	581,218
	13,845,175	12,198,261
LIABILITIES		
Accounts payable and accruals	824,522	426,696
Prepaid rents	8,238	10,423
Security deposits	11,542	11,542
Deferred revenue (Note A14)	23,040	-
Reforestation obligation - Woodlot	58,806	58,806
Demand loans (Note A15)	233,266	279,162
Long-term debt (Note A16)	1,647,818	1,804,083
	2,807,232	2,590,712
NET FINANCIAL ASSETS	11,037,943	9,607,549
NON FINANCIAL ASSETS		
Prepaid expenses	130,386	41,151
Tangible capital assets (Note A17)	9,020,657	9,334,669
	9,151,043	9,375,820
ACCUMULATED SURPLUS (Note A18)	\$ 20,188,986	\$ 18,983,369

COMMITMENTS AND CONTINGENCIES (Note A19)

APPROVED ON BEHALF OF COUNCIL:

 Councilor
 Councilor

EXHIBIT A3

SKEETCHESTN INDIAN BAND
SUMMARY STATEMENT OF ACCUMULATED SURPLUS
For the year ended March 31, 2014

	2014	2013
ACCUMULATED SURPLUS, beginning of year	\$ 18,983,369	\$ 16,926,640
EXCESS OF REVENUE OVER EXPENSES (Exhibit A4)	1,236,617	1,902,934
UNREALIZED GAINS (LOSSES) (Exhibit A5)	(31,000)	153,795
<u>ACCUMULATED SURPLUS, end of year</u>	<u>\$ 20,188,986</u>	<u>\$ 18,983,369</u>

See accompanying notes to financial statements.

SKEETCHESTN INDIAN BAND
SUMMARY STATEMENT OF OPERATIONS
Year ended March 31, 2014

	Budget	2014	2013
REVENUE:			
Aboriginal Affairs and Northern Development Canada	\$ 3,574,627	\$ 3,303,955	\$ 2,756,788
Property taxes	585,320	604,227	585,320
Logging	-	248,269	321,713
Province of British Columbia	334,748	334,748	385,827
Rental income	226,542	234,212	289,078
Cultural Heritage contracts	211,040	345,497	154,904
Q'wemtsi'n Health Society	135,126	135,126	135,126
Canada Mortgage and Housing Corporation	121,396	120,790	182,366
First Nations Education Steering Committee	115,611	143,366	218,351
Health Canada / First Nations Health Authority	17,296	23,758	26,475
Human Resources and Skills Development Canada	-	-	2,677
Fisheries & Oceans Canada	82,500	70,000	80,000
Government of Canada	-	-	23,165
Interest	14,621	41,656	36,893
Royalties - Painted Rock Aggregates & Contracting LLP	-	44,722	385,553
Secwepemc Fisheries Commission	32,000	47,950	78,321
Shuswap Training and Employment Program	46,773	91,247	47,411
Spectra Energy	-	-	330,373
Stk'emlupsemc te Secwepemc Nation	-	349,646	73,513
Equity in long-term investments	-	(28,821)	1,068,015
Independent Schools	53,766	32,095	53,766
Western Economic Diversification	-	31,590	600
Other	535,111	1,318,720	483,593
	6,086,477	7,492,753	7,719,828
 EXPENSES:			
Segments:			
Band Revenue	325,284	253,510	271,359
Administration	790,612	796,206	719,899
Social Development	610,702	541,920	565,053
Social Housing	362,960	297,004	342,837
Education	1,394,720	1,402,627	1,534,493
Community Facilities	1,889,873	1,518,502	790,807
Capital Works	523,780	376,410	471,869
Natural Resources	1,129,929	1,069,957	1,120,577
	7,027,860	6,256,136	5,816,894
 EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	 \$ (941,383)	 \$ 1,236,617	 \$ 1,902,934

SKEETCHESTN INDIAN BAND
SUMMARY STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the year ended March 31, 2014

	2014	2013
ACCUMULATED REMEASUREMENT GAINS (LOSSES), beginning of year	\$ 75,516	\$ (78,279)
UNREALIZED GAINS (LOSSES) ATTRIBUTED TO: Equity in long-term investments - Sk7ain Ventures Ltd.	(31,000)	153,795
<u>ACCUMULATED REMEASUREMENT GAINS, end of year</u>	<u>\$ 44,516</u>	<u>\$ 75,516</u>

SKEETCHESTN INDIAN BAND
SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended March 31, 2014

	Budget	2014	2013
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ (941,383)	\$ 1,236,617	\$ 1,902,934
Net remeasurement gain for the year	-	(31,000)	153,795
Acquisition of tangible capital assets	-	(350,192)	(232,771)
Amortization of tangible capital assets	-	664,204	632,506
Change in prepaid expenses	-	(89,235)	6,903
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(941,383)	1,430,394	2,463,367
NET FINANCIAL ASSETS, beginning of year	<u>9,607,549</u>	<u>9,607,549</u>	<u>7,144,182</u>
NET FINANCIAL ASSETS, end of year	\$ 8,666,166	\$ 11,037,943	\$ 9,607,549

SKEETCHESTN INDIAN BAND
SUMMARY STATEMENT OF CASH FLOWS
Year ended March 31, 2014

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenue over expenses	\$ 1,236,617	\$ 1,902,934
Non-cash charges to operations:		
Amortization	664,204	632,506
Funds held in trust	(101,311)	(104,184)
(Increase) decrease in:		
Grants and accounts receivable	(452,683)	68,174
CMHC Subsidy accrual	570	140
Prepaid expenses	(89,235)	6,903
Increase (decrease) in:		
Accounts payable and accruals	397,826	124,448
Prepaid rents	(2,185)	882
Deferred revenue	23,040	(72,167)
Cash from operations	<u>1,676,843</u>	<u>2,559,636</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Restricted cash	(141,476)	(461,295)
Repayment of long-term debt and demand loans	<u>(202,161)</u>	<u>(241,735)</u>
Cash used in financing	<u>(343,637)</u>	<u>(703,030)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Long-term investments	(12,946)	(1,208,876)
Net remeasurement gain for the year	(31,000)	153,795
Cash used in investing	<u>(43,946)</u>	<u>(1,055,081)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Purchase of tangible capital assets	(350,192)	(232,771)
Cash used in capital	<u>(350,192)</u>	<u>(232,771)</u>
INCREASE IN CASH	939,068	568,754
CASH, beginning of year	1,279,777	711,023
CASH, end of year	\$ 2,218,845	\$ 1,279,777

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:

These summary financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The significant accounting policies are summarized as follows:

a) Fund Accounting:

The Skeetchestn Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Skeetchestn Band maintains the following funds:

- The Band Operating Fund which reports the general activities of the First Nation Administration.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.
- The Capital Fund which reports the property and equipment of the First Nation, together with their related financing.
- The Social Housing Fund Phase 3 - 5 and Phase 6 - 9 which report the Social Housing assets of the First Nation, together with related activities.

b) Reporting Entity and Principles of Financial Reporting:

The Skeetchestn Indian Band reporting entity includes the Skeetchestn Band government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Skeetchestn Band Operating Fund
- Skeetchestn Band Trust Fund
- Skeetchestn Band Capital Fund
- Skeetchestn Band Social Housing Phase 3 - 5 Fund
- Skeetchestn Band Social Housing Phase 6 - 9 Fund

All inter-entity 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 on the individual schedules.

Incorporated business entities, which are owned or controlled by the Skeetchestn Indian Band and which are not dependent on the First Nation for their continuing operations, are included in the summary financial statements using the modified equity method. These include:

- Knucwentwecw Development Corporation
- Big Sky Station Ltd.
- Skeetchestn Holdings Limited Liability Partnership
- Painted Rock Aggregates & Contracting LLP

Investments in non-controlled entities and subject to significant influence are included in the summary financial statements using the modified equity method. These include:

- Stk'emlupsemc te Secwepemc Nation
- Stk'emlupsemc Enterprises Inc.
- Stk'emlupsemc Limited Partnership

Long-term investments in non-controlled entities and not subject to significant influence and marketable securities are recorded at the lower of cost or net realizable value.

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Revenues and expenses have been translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):

c) Non-financial Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

i) Tangible Capital Assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Major Asset Category

Buildings	25 years
Bridges and cattle guards	25 years
Water system	25 years
Automotive equipment	7 years
Office equipment	7 years
Equipment	7 years
Farm irrigation equipment	7 years
Property and equipment recorded at appraised value	10 to 25 years
Roads	10 years

Assets under construction are not amortized until the asset is available for productive use.

The Band reviews the useful lives and the carrying values of its tangible capital assets at least annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets' contribution to the Band's ability to provide services. When assets no longer have any long-term service potential to the Band, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

ii) Contributions of Tangible Capital Assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

iii) Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

The Band's interest in reserve lands is not reflected in these financial statements, as no consideration was paid by the Band to acquire these lands.

d) Revenue Recognition:

The Skeetchestn Indian Band derives revenues from a number of sources.

Amounts received from Aboriginal Affairs and Northern Development Canada (AANDC) are reported in accordance with the terms of the funding arrangement. Amounts specified as set contributions are reported as revenue as program terms and conditions are met and delivered. Any resulting surpluses are repayable to AANDC and any deficits incurred are refundable by AANDC. Amounts specified as fixed contributions are recognized as revenue as program terms and conditions are met and delivered. Any resulting surpluses may be retained by the Band provided delivery of the program is complete at March 31. Any resulting deficits are the responsibility of the Band. Grants received from AANDC are unconditional and are reported as revenue when received or receivable and collection is reasonably assured.

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):

d) Revenue Recognition (continued):

Amounts received from other government departments, both federal and provincial, are reported as revenue in accordance with the terms of the contract or agreement.

Own source revenues derived from such sources as housing rents, resource based revenues, interest income, etc. are reported when received or receivable and collection is reasonably assured.

e) Replacement Reserve:

The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

f) Operating Reserve:

The Operating Reserve account is funded by an allocation of the excess or shortfall of annual minimum revenue contribution and CMHC subsidies over current eligible expenses.

g) Subsidy Surplus Reserve:

The Subsidy Surplus Reserve account is funded by an allocation of the excess or shortfall of revenues over expenses to a maximum of \$500 per unit.

h) Accrual Method:

The accrual method is used in accounting for all funds.

i) Deferred Revenue:

Revenue is recorded in the period to which it relates.

j) Reforestation:

As part of the Band's forest licence agreement, the Band is required to perform reforestation on areas logged under conditions set out in the acts governing forestry operations. The Band estimates the costs of reforestation through to the free-to-grow stage and records the present value obligation of these costs as timber is harvested.

k) Use of Estimates:

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

NOTE A2. FINANCIAL INSTRUMENTS:

Fair Value of Financial Assets and Financial Liabilities:

The carrying values of cash, grants and accounts receivable, CMHC subsidy accrual, restricted cash, funds held in trust, accounts payable and accrued liabilities and demand loans approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The carrying value of long-term debt approximates its fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

It is not practicable to determine the fair value of long-term investments and advances to subsidiaries due to the limited amount of comparable market information available.

Credit Risk:

The Band is exposed to a credit risk by its customers. However, because the majority of revenues is from government agencies, credit risk concentration is reduced to the minimum.

Interest Rate Risk:

Demand loans have variable interest rates based on the bank's prime rate, therefore the interest expense will vary with changes in the bank's prime rate. Long-term debt has fixed rates; therefore interest expense will decrease with principal repayment of the mortgage and interest risk is reduced to the minimum.

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A3. GRANTS AND ACCOUNTS RECEIVABLE:	2014	2013
<u>Band Operations:</u>		
Grants Receivable	\$ 435,420	\$ 260,058
Other Accounts Receivable	537,974	253,079
Band Members	25,939	32,397
	<u>999,333</u>	<u>545,534</u>
Social Housing Operations 3 - 5	280	826
Social Housing Operations 6 - 9	-	570
	<u>\$ 999,613</u>	<u>\$ 546,930</u>

NOTE A4. RESTRICTED CASH:	2014	2013
Ottawa trust funds	\$ 621,293	\$ 530,979
Replacement reserve	659,437	607,745
Operating reserve	90,034	87,234
Internally restricted cash	375,077	378,430
Subsidy surplus reserve	<u>9,477</u>	<u>9,454</u>
	<u>\$ 1,755,318</u>	<u>\$ 1,613,842</u>

a) Ottawa Trust Funds:
The Ottawa Trust Accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

b) Replacement Reserve:
Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$48,048 annually plus interest. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time. Withdrawals are credited to interest first and then principal.

	2014	2013
Balance, beginning of year	\$ 632,219	\$ 626,060
Allocation for the year	48,048	48,048
Transfer from subsidy surplus reserve	12,000	-
Expenses for the year	(5,415)	(46,285)
Interest earned	<u>4,614</u>	<u>4,396</u>
Balance, end of year	<u>\$ 691,466</u>	<u>\$ 632,219</u>
The Replacement Reserve is represented by:		
Cash	<u>\$ 659,437</u>	<u>\$ 607,745</u>

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A4. RESTRICTED CASH (continued):

c) Operating Reserve:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, after the payment of all costs and expenses, including the allocation of the Replacement Reserve, any surplus revenue will be retained by the First Nation within an Operating Reserve fund. Interest earnings must accrue to and be maintained in the Operating Reserve fund. The Project's Operating Reserve fund may only be used for the ongoing operating costs of the housing projects committed under the On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund. The First Nation agrees to maintain Operating Reserve funds in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as may otherwise be mutually agreed to by the First Nation and Canada Mortgage and Housing Corporation.

	2014	2013
Balance, beginning of year	\$ 89,397	\$ 81,062
Current year surplus	1,344	7,683
Interest	<u>658</u>	<u>652</u>
Balance, end of year	<u><u>\$ 91,399</u></u>	<u><u>\$ 89,397</u></u>
The Operating Reserve is represented by:		
Cash	<u><u>\$ 90,034</u></u>	<u><u>\$ 87,234</u></u>

d) Internally Restricted:

The Capital Reserve Fund has been established for the sole purpose of constructing or upgrading Band property and equipment, as required by the Band's Financial Management Bylaw.

The Stabilization Reserve Fund has been established for the sole purpose of supplementing future operational costs, as required by the Band's Financial Management Bylaw.

Per Capita Distribution Reserve Funds has been invested for future distribution to Band members of \$998 plus interest on their 19th birthday.

The Six Mile Settlement Reserve Fund has been established for the sole purpose of capacity development and training for tourism business development.

	2014	2013
Capital Reserve Fund (Schedule 2)	\$ 81,563	\$ 80,306
Stabilization Reserve Fund (Schedule 2)	<u>81,563</u>	<u>80,306</u>
Per Capita Distribution Reserve Funds (Schedule 2)	<u>52,452</u>	<u>60,235</u>
Six Mile Settlement Reserve Fund (Schedule 7)	<u><u>159,499</u></u>	<u><u>157,583</u></u>
	<u><u>\$ 375,077</u></u>	<u><u>\$ 378,430</u></u>

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A4. RESTRICTED CASH (continued):

e) Subsidy Surplus Reserve:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, excess federal assistance payments may be retained in a Subsidy Surplus Reserve up to a maximum of \$500 per unit plus interest. The reserve is to be comprised of monies deposited in a separate bank account. The funds in the account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum federal assistance. Withdrawals are credited to interest first and then principal. In 2012, CMHC approved the transfer of the subsidy surplus reserve balance to the replacement reserve, this adjustment has been recorded in 2014.

	2014	2013
Balance, beginning of year	\$ 12,000	\$ 13,991
Allocation to surplus (deficit)	-	(1,991)
Transfer to replacement reserve	<u>(12,000)</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 12,000</u>
The Subsidy Surplus Reserve is represented by:		
Cash	<u>\$ 9,477</u>	<u>\$ 9,454</u>

NOTE A5. FUNDS HELD IN TRUST:

On March 21, 2007, Her Majesty the Queen in Right of Canada (Canada) signed the Smith/Curtis Specific Claim Settlement Agreement (Settlement Agreement) with the Skeetchestn Indian Band (the Band). Under the terms of the Settlement Agreement, Canada agreed to pay compensation to the Band for damages and losses caused by the alienation of land within the Skeetchestn Reserve without the Band's consent or approval. As compensation for this settlement, Canada paid \$4,777,000 less \$249,865 in outstanding loans extended to the Band for the purposes of negotiations and settlement.

The trust agreement was established to hold the compensation and any income there from for the benefit of current and future generations of members of the Skeetchestn Indian Band. Royal Trust Corporation of Canada will administer the trust in accordance with the trust agreement. The trust agreement governs the distribution of income earned and distributed from the trust in the best interests of the Band and its members.

Under the terms of the trust agreement, the core capital of the trust may never be less than \$3,000,000, indexed to inflation. The expenses from the trust fund may only be made in areas of education, health, economic development, community infrastructure and land purchases. An amount may also be drawn for a reasonable management fee.

The trust assets are as follows:

	Cost	Unrealized Gain	Fair Market Value 2014	Fair Market Value 2013
Common stock & equivalents	\$ 3,552,517	\$ 506,085	\$ 4,058,602	\$ 3,656,686
Fixed income securities	860,258	597	860,855	734,996
Cash & equivalents	68,478	-	68,478	95,453
Other	<u>10</u>	<u>-</u>	<u>10</u>	<u>10</u>
	<u>\$ 4,481,263</u>	<u>\$ 506,682</u>	<u>\$ 4,987,945</u>	<u>\$ 4,487,145</u>

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A5. FUNDS HELD IN TRUST (continued):

During the year the trust's income and expenses were follows:

	2014	2013
REVENUE:		
Interest	\$ 29,943	\$ 4,750
Dividends	123,515	80,641
Capital gains	82,636	76,115
	<u>236,094</u>	<u>161,506</u>
EXPENSES:		
Management fees	61,311	57,322
Distributions (Schedule 3)	<u>73,472</u>	-
	<u>134,783</u>	57,322
NET INCOME	101,311	104,184
OPENING BALANCE, at cost	4,379,952	4,275,768
ENDING BALANCE, at cost	4,481,263	4,379,952
UNREALIZED GAIN	506,682	107,193
ENDING BALANCE, at fair market value	\$ 4,987,945	\$ 4,487,145

NOTE A6. LONG-TERM INVESTMENTS:

	2014	2013
All Nations Trust Company, at cost:		
3,750 Common shares, par value \$1.00	<u>\$ 3,251</u>	<u>\$ 3,251</u>

NOTE A7. INVESTMENT IN STK'EMLUPSEMC TE SECWEPEMC NATION:

	2014	2013
Interest:		
50%	\$ 1	\$ 1
Accumulated equity	<u>1,040,657</u>	759,682
	<u><u>\$ 1,040,658</u></u>	<u><u>\$ 759,683</u></u>

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A7. INVESTMENT IN STK'EMLUPSEMC TE SECWEPEMC NATION (continued):

Financial information for Stk'emlupsemc te Secwepemc Nation is as follows:

	Total	Band's Share 2014	Band's Share 2013
Cash	\$ 1,467,159	\$ 733,580	\$ 343,343
Other Assets	33,961	16,977	109,721
Due from related party	<u>600,000</u>	<u>300,000</u>	316,423
	<u>2,101,120</u>	<u>1,050,557</u>	769,487
Liabilities	<u>19,803</u>	<u>9,900</u>	9,805
Equity	<u>\$ 2,081,317</u>	<u>\$ 1,040,657</u>	\$ 759,682
Revenues	\$ 1,621,839	\$ 810,920	\$ 1,075,923
Expenses	<u>1,059,883</u>	<u>529,942</u>	385,004
Net income	<u>\$ 561,956</u>	<u>\$ 280,978</u>	\$ 690,919

Stk'emlupsemc te Secwepemc Nation is an unincorporated political entity that is the caretaker of the land base which is inhabited by the Tk'emplups te Secwepemc and Skeetchestn Indian Band. The object of the entity is to recover the costs of maintaining the natural resource rights and title within its traditional territory.

NOTE A8. INVESTMENT IN STK'EMLUPSEMC ENTERPRISES INC.:

	2014	2013
Shares:		
Common - 50%	\$ 10	\$ 10
Accumulated deficit	<u>(163,986)</u>	(49,086)
	<u>\$ (163,976)</u>	\$ (49,076)

Financial information for Stk'emlupsemc Enterprises Inc. is as follows:

	Total	Band's Share 2014	Band's Share 2013
Cash	\$ 452,973	\$ 226,487	\$ 382,170
Other Assets	28,316	14,158	16,560
Due from related parties	<u>102,722</u>	<u>51,361</u>	8,812
	<u>584,011</u>	<u>292,006</u>	407,542
Accounts Payable	239,347	119,674	49,945
Due to related parties	<u>672,616</u>	<u>336,308</u>	316,423
Loan payable	-	-	90,250
	<u>911,963</u>	<u>455,982</u>	456,618
Equity	<u>\$ (327,952)</u>	<u>\$ (163,976)</u>	\$ (49,076)
Revenues	\$ 687,891	\$ 343,946	\$ 296,417
Expenses	<u>660,108</u>	<u>330,054</u>	291,283
Net income	<u>\$ 27,783</u>	<u>\$ 13,892</u>	\$ 5,134

Stk'emlupsemc Enterprises Inc. primary function is to recover the costs of maintaining the natural resource rights within the traditional territory of the Stk'emlupsemc.

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A9. INVESTMENT IN STK'EMLUPSEMC LIMITED PARTNERSHIP:

	2014	2013
Interest:		
Units - 49.99%	\$ -	\$ -
Partnership interest:		
Net income allocation	369,866	
Drawings	<u>(364,671)</u>	
Balance, end of year	5,195	-
	<u><u>\$ 5,195</u></u>	<u><u>\$ -</u></u>

Financial information for Stk'emlupsemc Limited Partnership is as follows:

	Total	Band's Share 2014	Band's Share 2013
Cash	\$ 451,876	\$ 225,938	\$ -
Other Assets	<u>6,000</u>	<u>3,000</u>	-
	<u><u>457,876</u></u>	<u><u>228,938</u></u>	<u><u>-</u></u>
Accounts Payable	73,708	36,854	-
Due to related parties	86,460	43,230	-
Deferred RFA Revenue	<u>287,244</u>	<u>143,622</u>	-
	<u><u>447,412</u></u>	<u><u>223,706</u></u>	<u><u>-</u></u>
Equity	<u>10,464</u>	<u>5,232</u>	-
Revenues	<u>1,578,121</u>	<u>788,903</u>	-
Expenses	<u>838,315</u>	<u>419,074</u>	-
Net income	<u><u>739,806</u></u>	<u><u>369,829</u></u>	<u><u>-</u></u>

Stk'emlupsemc Limited Partnership is a partnership with the object of the entity is to recover the costs of maintaining the natural resource rights and title within its traditional territory.

NOTE A10. INVESTMENT IN SKEETCHESTN HOLDINGS LIMITED LIABILITY PARTNERSHIP:

	2014	2013
Interest:		
Units - 99%	\$ 9,900	\$ 9,900
Advances	<u>60,643</u>	<u>(1,718)</u>
	<u><u>70,543</u></u>	<u><u>8,182</u></u>
Accumulated equity	<u>441,868</u>	<u>549,058</u>
	<u><u>\$ 512,411</u></u>	<u><u>\$ 557,240</u></u>

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A10. INVESTMENT IN SKEETCHESTN HOLDINGS LIMITED LIABILITY PARTNERSHIP (continued):

Financial information for Skeetchestn Holdings Limited Liability Partnership is as follows:

	March 31 2014	March 31 2013
Current Assets	\$ 16,464	\$ 347,870
Property and Equipment	1,383,089	1,073,686
Due from Related Parties and Partners	<u>203,236</u>	<u>113,011</u>
	<u><u>1,602,789</u></u>	<u><u>1,534,567</u></u>
Current Liabilities	600,527	410,912
Obligation Under Capital Lease	-	40,796
Due to Partners	<u>545,931</u>	<u>518,254</u>
	<u><u>1,146,458</u></u>	<u><u>969,962</u></u>
Equity	<u>456,331</u>	<u>564,605</u>
Revenues	\$ 354,636	\$ 529,309
Expenses	<u>462,910</u>	<u>497,645</u>
Net income (loss)	<u><u>\$ (108,274)</u></u>	<u><u>\$ 31,664</u></u>

Skeetchestn Holdings Limited Liability Partnership is a partnership domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. The Partnership is engaged in trucking, natural resources management and rental. The Partnership is controlled by Skeetchestn Indian Band (Limited Partner 99%). Net income of the Partnership is allocated to the respective Partners annually.

NOTE A11. INVESTMENT IN PAINTED ROCK AGGREGATES & CONTRACTING LLP:

	2014	2013
Interest:		
Units - 99%	\$ 9,900	\$ 9,900
Advances	<u>162,086</u>	<u>181,602</u>
	<u><u>171,986</u></u>	<u><u>191,502</u></u>
Accumulated equity	<u>175,146</u>	<u>436,606</u>
	<u><u>\$ 347,132</u></u>	<u><u>\$ 628,108</u></u>

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A11. INVESTMENT IN PAINTED ROCK AGGREGATES & CONTRACTING LLP (continued):

Financial information for Painted Rock Aggregates & Contracting LLP is as follows:

	March 31 2014	March 31 2013
Cash	\$ 331,982	\$ 370,740
Accounts Receivable	153,441	1,156,087
Inventory	285,348	265,728
Other Assets	43,840	34,412
	<u>814,611</u>	<u>1,826,967</u>
Accounts Payable	98,316	919,200
Other Current Liabilities	45,030	57,019
Due to Related Parties	280,996	178,130
Due to Partners	163,354	181,602
Reclamation Cost Obligations	40,000	40,000
	<u>627,696</u>	<u>1,375,951</u>
Equity	<u>\$ 186,915</u>	<u>\$ 451,016</u>
Revenues	\$ 1,342,566	\$ 3,476,586
Expenses	<u>1,606,667</u>	<u>3,044,119</u>
Net income (loss)	<u>\$ (264,101)</u>	<u>\$ 432,467</u>

Painted Rock Aggregates & Contracting LLP is a partnership domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. The Partnership is engaged in the management of a gravel pit in Savona, BC and markets a wide variety of gravel related products. The Partnership is controlled by Skeetchestn Indian Band (Limited Partner 99%). Net income of the Partnership is allocated to the respective Partners annually.

NOTE A12. INVESTMENT IN KNUCWENTWECW DEVELOPMENT CORPORATION:

	2014	2013
Shares:		
Common - 100%	\$ 100,001	\$ 100,001
Advances	<u>975,420</u>	<u>945,499</u>
	<u>1,075,421</u>	<u>1,045,500</u>
Accumulated equity	<u>810,389</u>	<u>841,389</u>
	<u><u>\$ 1,885,810</u></u>	<u><u>\$ 1,886,889</u></u>

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A12. INVESTMENT IN KNUCWENTWECW DEVELOPMENT CORPORATION (continued):

Consolidated financial information for Knucwentwecw Development Corporation is as follows:

	March 31	March 31
	2014	2013
Cash	\$ 152,440	\$ 136,884
Accounts Receivable	61,609	17,936
Inventory	104,221	91,217
Due from Related Parties	560,582	584,419
Investment in Jointly Controlled Entities	409,693	394,484
Property and Equipment	1,998,307	2,005,348
Other Assets	25,693	34,937
	<u>3,312,545</u>	<u>3,265,225</u>
Current Liabilities	115,720	173,602
Demand Loans	405,880	443,945
Due to Related Parties	971,203	945,899
Deferred Revenue	160,373	179,970
	<u>1,653,176</u>	<u>1,743,416</u>
Equity	<u>\$ 1,659,369</u>	<u>\$ 1,521,809</u>
Revenues	\$ 6,066,896	\$ 6,288,592
Expenses	<u>5,929,336</u>	<u>6,222,324</u>
Net income	<u>\$ 137,560</u>	<u>\$ 66,268</u>

Knucwentwecw Development Corporation is a Company domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. The Company is engaged in providing management and consulting services.

NOTE A13. INVESTMENT IN BIG SKY STATION LTD.:

	2014	2013
Shares:		
Preferred shares - 100%	\$ 179,695	\$ 179,695
Advances	<u>799</u>	<u>799</u>
	<u>180,494</u>	<u>180,494</u>
Accumulated equity	<u>569,284</u>	<u>400,724</u>
	<u><u>\$ 749,778</u></u>	<u><u>\$ 581,218</u></u>

**SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014**

NOTE A13. INVESTMENT IN BIG SKY STATION LTD. (continued):

Financial information for Big Sky Station Ltd. has been consolidated into the financial statements of Knucwentwecw Development Corporation and is as follows:

	March 31 2014	March 31 2013
Cash	\$ 164,647	\$ 137,333
Accounts Receivable	44,895	5,792
Inventory	104,221	91,217
Other Current Assets	27,602	31,009
Property, Plant and Equipment	619,933	625,403
	<u>961,298</u>	<u>890,754</u>
Current Liabilities	51,826	130,245
Deferred Revenue	160,373	179,970
	<u>212,199</u>	<u>310,215</u>
Equity	<u>\$ 749,099</u>	<u>\$ 580,539</u>
Revenues	\$ 5,531,889	\$ 5,699,460
Expenses	5,363,329	5,786,987
	<u>\$ 168,560</u>	<u>\$ (87,527)</u>

Big Sky Station Ltd. is a Company domiciled in Canada and has a registered office at 1000 Trans Canada Hwy, Savona, BC. The Company is engaged in the operation of a retail store and fuel sales outlet on native land near Savona, BC.

NOTE A14. DEFERRED REVENUE:

2014 2013

Amounts deferred are summarized below:

Government of Canada - New Horizons for Seniors Program **\$ 23,040** **\$ -**

Funding for the project "Cultural Enrichment with the Seasons" has been deferred as the project term is from March 3, 2014 to February 27, 2015.

NOTE A15. DEMAND LOANS:

2014 2013

Ron Craig Ranch:

Royal Bank of Canada, demand loan, repayable in monthly installments of \$4,468 including interest at 2.99%, secured by a general security agreement covering all the assets of the Band, due November 2014

\$ 233,266 \$ 279,162

Principal repayments due in the ensuing year is approximately as follows:

2015 \$ 233,266

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A16. LONG-TERM DEBT:	2014	2013
<u>Social Housing Phase 3 - 5:</u>		
Royal Bank of Canada, 12-Unit (95), repayable in monthly installments of \$4,283 including interest at 3.55% per annum, secured by houses with a carrying value of \$511,973, due June 2016	\$ 202,547	\$ 245,872
Royal Bank of Canada, 6-Unit (97), repayable in monthly installments of \$2,291 including interest at 3.05% per annum, secured by houses with a carrying value of \$314,166, due May 2017	198,524	219,569
Royal Bank of Canada, 6-Unit (98), repayable in monthly installments of \$2,861 including interest at 2.22% per annum, secured by houses with a carrying value of \$317,722, due April 2016	69,847	102,097
	<u>470,918</u>	<u>567,538</u>
<u>Social Housing Phase 6 - 9:</u>		
All Nations Trust Company, 6-Unit, mortgage, repayable in monthly installments of \$1,997 including interest at 2.61% per annum, secured by houses with a carrying value of \$403,754, due September 2014	213,899	232,051
All Nations Trust Company, 3-Unit, mortgage, repayable in monthly installments of \$1,049 including interest at 2.63% per annum, secured by houses with a carrying value of \$211,819, due June 2016	130,997	140,024
All Nations Trust Company, 1-Unit, mortgage, repayable in monthly installments of \$419 including interest at 2.76% per annum, secured by houses with a carrying value of \$84,197, due June 2015	65,618	68,800
All Nations Trust Company, 8-Unit, mortgage, repayable in monthly installments of \$4,096 including interest at 2.35% per annum, secured by houses with a carrying value of \$909,944, due September 2018	<u>766,386</u>	<u>795,670</u>
	<u>1,176,900</u>	<u>1,236,545</u>
	<u>\$ 1,647,818</u>	<u>\$ 1,804,083</u>

The Social Housing mortgages are guaranteed by Aboriginal Affairs and Northern Development Canada

Principal repayments due in the ensuing 5 years are approximately as follows:

2015	\$ 357,739
2016	206,802
2017	219,016
2018	107,485
2019	756,776

NOTE A17. TANGIBLE CAPITAL ASSETS:	2014	2013
Tangible capital assets consist of the following:		
Buildings	\$ 4,493,532	\$ 4,734,737
Bridges and cattle guards	160,474	185,048
Water system	722,926	798,640
Automotive equipment	593,662	517,191
Office equipment	29,200	14,057
Equipment	267,287	190,452
Social housing operations phase 3 - 5	1,143,861	1,214,412
Social housing operations phase 6 - 9	<u>1,609,715</u>	<u>1,680,132</u>
	<u>\$ 9,020,657</u>	<u>\$ 9,334,669</u>

For additional information, see the Summary Schedule of Tangible Capital assets (Appendix 1).

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A18. ACCUMULATED SURPLUS:

	2014	2013
Accumulated surplus consists of individual fund surpluses and reserves as follows:		
Surplus from operations	<u>\$ 3,982,685</u>	<u>\$ 2,846,270</u>
Invested in tangible capital assets	<u>7,139,573</u>	<u>7,251,424</u>
Investments in controlled entities	<u>3,136,791</u>	<u>3,165,612</u>
Funded Reserves:		
Replacement Reserve Fund	691,466	632,219
Operating Reserve Fund	91,399	89,397
Subsidy Surplus Reserve Fund	-	12,000
Ottawa Trust Funds	621,293	530,979
	<u>1,404,158</u>	<u>1,264,595</u>
Committed Reserves:		
Funds held in trust	<u>4,481,263</u>	<u>4,379,952</u>
	<u>20,144,470</u>	<u>18,907,853</u>
Accumulated remeasurement gains	<u>44,516</u>	<u>75,516</u>
	<u>\$ 20,188,986</u>	<u>\$ 18,983,369</u>

NOTE A19. COMMITMENTS AND CONTINGENCIES:

Commitment:

The Band leases photocopiers and telephone equipment under long-term leases which expire May 2015 through November 2018.

Future minimum lease payments as at March 31, 2014, are as follows:

2015	\$ 15,871
2016	12,895
2017	12,895
2018	9,456
2019	<u>744</u>
	<u>\$ 51,861</u>

Contingencies:

- a) The Band receives a portion of its funding under a contribution authority with Aboriginal Affairs and Northern Development Canada which, if unexpended, may be refundable to Aboriginal Affairs and Northern Development Canada. Further, amounts which are overexpended may be reimbursed by Aboriginal Affairs and Northern Development Canada to the Band. No amounts have been recorded in the financial statements as refundable or reimbursable.
- b) Social Housing Mortgages:
The Band is guarantor of various Social Housing mortgages, secured by Ministerial guarantees, totaling \$1,647,149.
- c) Pension Plan:
The Band and its employees contribute to a defined contribution pension plan. There is no obligation for past service or periods in which an employee was not employed. Total contributions to the plan during the year were \$64,653 (2013 \$69,729).

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A19. COMMITMENTS AND CONTINGENCIES (continued):

d) Environmental Renewal:

The Band is engaged in logging operations which will result in silviculture costs and other potential environmental renewal and recovery costs. Estimated costs in connection with current operations have been accrued; however, the total costs cannot be determined with certainty at year-end due to potential external events such as changes in regulations and advances in remediation technology.

e) Site Restoration:

The Band has contracted Painted Rock Aggregates & Contracting LLP, a partnership controlled by the Band, to operate the gravel pit. In this agreement Painted Rock Aggregates & Contracting LLP is responsible for any site restoration costs. Should Painted Rock Aggregates & Contracting LLP default on the agreement, the Band may be responsible for any site restoration not performed by Painted Rock Aggregates & Contracting LLP. The net present value of such a liability is not determinable at this time.

e) Lawsuits:

The Band may be subject to lawsuits from time to time. It is the opinion of management that any lawsuits against the Band are not material in the aggregate.

NOTE A20. RELATED PARTY TRANSACTIONS:

During the year, the Band made purchases of \$84,794 (2013 \$56,847) from Big Sky Station Ltd. for fuel and supplies and earned \$28,162 (2013 \$57,464) in rent, a subsidiary company.

During the year, the Band paid \$52,542 (2013 \$24,439) for community economic development services to and earned \$15,340 (2013 \$Nil) for security services from Knucwentwecw Development Corporation, a subsidiary company.

During the year, the Band made purchases of \$20,586 (2013 \$57,018) for gravel and earned \$44,722 (2013 \$385,553) in Royalties from Painted Rock Aggregates & Contracting LLP, a subsidiary partnership.

During the year, the Band earned \$110,000 (2013 \$73,513) from Stk'emlupsemc te Secwepemc Nation, a significantly influenced entity, for management and other services.

During the year, the Band earned \$128,790 (2013 \$Nil) from Stk'emlupsemc Enterprises Inc., a significantly influenced entity, in dividends.

During the year, the Band earned \$364,671 (2013 \$Nil) from Stk'emlupsemc Limited Partnership, a significantly influenced entity, for management and other services.

These transactions are in the normal course of operations and are measured at the carrying amount, which is the amount of consideration established and agreed to by the related parties.

NOTE A21. ECONOMIC DEPENDENCE:

The Band receives a major portion of its revenue pursuant to a Funding Agreement with Aboriginal Affairs and Northern Development Canada.

NOTE A22. FUNDS HELD IN TRUST - MINISTRY OF TRANSPORTATION & HIGHWAYS:

The Band has funds held in trust by Morelli Chertkow LLP, Lawyers, regarding compensation received from the Ministry of Transportation and Highways for lands, as follows:

Deadman - Vidette Road No. 1427	\$ 60,175
Deadman - Vidette Road Intersection - District Plan 215-1427-20	<hr/> 5,296
	<hr/> <hr/> \$ 65,471

The funds are to be held in trust until the lands are transferred to the Ministry by passage of a Federal Privy Council Order.

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A23. SEGMENTED INFORMATION:

The Skeetchestn Indian Band is a First Nations government institution that provides a range of programs and services to its members, including band revenue, administration, social development, education, community development, capital works and natural resources. For management reporting purposes the First Nations operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

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

Band Revenue

The Band Revenue department is responsible for administering projects the Band is involved in annually and on an on-going basis relating to the overall objectives of the First Nation.

Administration

Administration supports the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

Social Development

Social Development provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

Social Housing

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

Education

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs. It also provides services for students at the elementary/secondary and post secondary level, including instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

Community Facilities

Community facilities supports the construction, operation and basic maintenance of community facilities and services such as water and sewage, roads, electrification, schools and fire protection. It is also responsible for ensuring that the facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Capital Works

Capital works manages capital projects within the community undertaken to support the growth and or maintenance of the First Nations infrastructure.

Natural Resources

Natural Resources department is responsible for the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, as well as research and advocacy. It also manages economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note A1. For additional information see the Statement of Financial Activities - Segmented (Appendix 2).

NOTE A24. CASH FLOW INFORMATION:

During the year, the Band paid interest on demand loans of \$57,025 (2013 \$70,560) and received interest of \$41,656 (2013 \$42,675).

SKEETCHESTN INDIAN BAND
NOTES TO SUMMARY FINANCIAL STATEMENTS
March 31, 2014

NOTE A25. COMPARATIVE FIGURES:

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

SKEETCHESTN INDIAN BAND
SUMMARY SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year ended March 31, 2014

	Band Operations							Social Housing Operations				Totals	
	Buildings		Bridges & Cattle Guards	Water System	Automotive Equipment	Office Equipment	Farm Irrigation Equipment	Appraised Property & Equipment	Roads	Phase 3-5	Phase 6-9	2014	2013
	Buildings	Cattle Guards	Water System	Automotive Equipment	Office Equipment	Farm Irrigation Equipment	Appraised Property & Equipment	Roads	Phase 3-5	Phase 6-9	2014	2013	
Cost													
Balance, beginning of year	\$ 7,646,026	\$ 614,324	\$ 1,902,076	\$ 1,200,097	\$ 106,363	\$ 267,821	\$ 158,262	\$ 668,708	\$ 164,847	\$ 2,116,536	\$ 2,112,523	\$ 16,957,583	\$ 16,760,012
Add: Additions during the year	32,053	-	-	180,263	20,240	117,636	-	-	-	-	-	350,192	232,771
Less: Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	(35,200)
Balance, end of year	7,678,079	614,324	1,902,076	1,380,360	126,603	385,457	158,262	668,708	164,847	2,116,536	2,112,523	17,307,775	16,957,583
Accumulated amortization													
Balance, beginning of year	2,911,289	429,276	1,103,436	682,906	92,306	77,369	158,262	668,708	164,847	902,124	432,391	7,622,914	7,025,608
Add: Amortization	273,258	24,574	75,714	103,792	5,097	40,801	-	-	-	70,551	70,417	664,204	632,506
Less: Disposals	-	-	-	-	-	-	-	-	-	-	-	-	(35,200)
Balance, end of year	3,184,547	453,850	1,179,150	786,698	97,403	118,170	158,262	668,708	164,847	972,675	502,808	8,287,118	7,622,914
Net Book Value of Tangible Capital Assets													
	\$ 4,493,532	\$ 160,474	\$ 722,926	\$ 593,662	\$ 29,200	\$ 267,287	\$ -	\$ -	\$ -	\$ 1,143,861	\$ 1,609,715	\$ 9,020,657	\$ 9,334,669

See accompanying notes to financial statements.

SKEETCHESTN INDIAN BAND
STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
Year ended March 31, 2014

	Band Revenue	Administration	Social Development	Social Housing	Education	Community Facilities	Capital Works	Natural Resources	Total 2014
REVENUE:									
Aboriginal Affairs and Northern Development Canada	\$ 151,580	\$ 376,626	\$ 483,725	\$ -	\$ 962,631	\$ 1,233,025	\$ -	\$ 96,368	\$ 3,303,955
Leases and rentals	604,227	-	-	234,212	-	-	-	-	838,439
CMHC	-	-	-	120,790	-	-	-	-	120,790
Province of BC	-	-	35,796	-	32,095	-	-	298,952	366,843
Consulting and contract	248,269	-	160,883	-	229,747	234,425	13,641	490,728	1,377,693
Interest	35,109	-	-	6,547	-	-	-	-	41,656
Miscellaneous	870,876	51,642	22,956	-	25,928	91,398	56,358	324,219	1,443,377
	<u>1,910,061</u>	<u>428,268</u>	<u>703,360</u>	<u>361,549</u>	<u>1,250,401</u>	<u>1,558,848</u>	<u>69,999</u>	<u>1,210,267</u>	<u>7,492,753</u>
EXPENSES:									
Administration fees	12,824	(245,130)	48,050	22,147	63,171	46,982	5,600	65,084	18,728
Amortization	-	-	-	140,969	208,786	285,596	-	28,854	664,205
Assistance	-	-	288,989	-	-	-	-	-	288,989
Automotive	-	-	5,521	-	8,656	57,596	13,939	65,099	150,811
Contract services	60,204	15,615	8,686	-	54,724	568,697	47,559	95,556	851,041
Education	12,300	-	-	-	261,699	-	-	-	273,999
Honorarium	-	252,165	-	-	-	-	-	-	252,165
Insurance	-	20,086	1,167	17,816	27,721	47,140	-	5,678	119,608
Interest and bank charges	-	7,060	-	-	-	-	-	-	7,060
Interest on demand loans and long-term debt	7,718	-	-	49,307	-	-	-	-	57,025
Licences, dues and fees	15,806	-	-	-	2,275	-	-	444	18,525
Materials and supplies	21,549	54,042	11,579	-	69,684	165,898	170,137	110,169	603,058
Office and other	118,745	137,059	21,975	-	6,829	12,049	-	8,727	305,384
Professional fees	-	79,807	-	7,900	-	-	-	9,633	97,340
Repairs and maintenance	-	-	1,139	57,206	10,276	-	3,213	-	71,834
Training	534	5,399	5,109	-	38,169	6,336	-	4,501	60,048
Travel	-	68,631	30,162	1,659	8,457	1,320	987	6,922	118,138
Utilities	-	27,746	3,296	-	26,670	43,582	-	6,561	107,855
Wages and benefits	3,830	373,726	116,247	-	615,510	283,306	134,975	662,729	2,190,323
	<u>253,510</u>	<u>796,206</u>	<u>541,920</u>	<u>297,004</u>	<u>1,402,627</u>	<u>1,518,502</u>	<u>376,410</u>	<u>1,069,957</u>	<u>6,256,136</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 1,656,551	\$ (367,938)	\$ 161,440	\$ 64,545	\$ (152,226)	\$ 40,346	\$ (306,411)	\$ 140,310	\$ 1,236,617

See accompanying notes to financial statements.

SKEETCHESTN INDIAN BAND
STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
Year ended March 31, 2013

	Band Revenue	Administration	Social Development	Social Housing	Education	Community Facilities	Capital Works	Natural Resources	Total 2013
REVENUE:									
Aboriginal Affairs and Northern Development Canada	\$ 150,939	\$ 387,495	\$ 486,559	\$ -	\$ 894,870	\$ 329,851	\$ 489,464	\$ 17,610	\$ 2,756,788
Leases and rentals	587,820	-	-	231,614	2,880	-	-	-	822,314
CMHC	-	-	-	125,611	-	-	56,755	-	182,366
Province of BC	-	-	35,796	-	53,766	-	-	350,031	439,593
Consulting and contract	348,713	-	151,601	-	307,033	5,000	20,500	657,400	1,490,247
Interest	27,374	-	-	6,416	-	-	-	8,885	42,675
Miscellaneous	1,734,165	29,664	33,170	-	12,418	74,822	21,186	80,420	1,985,845
	<u>2,849,011</u>	<u>417,159</u>	<u>707,126</u>	<u>363,641</u>	<u>1,270,967</u>	<u>409,673</u>	<u>587,905</u>	<u>1,114,346</u>	<u>7,719,828</u>
EXPENSES:									
Administration fees	19,100	(206,159)	33,240	21,681	53,122	32,110	9,589	54,371	17,054
Amortization	-	-	-	140,969	208,786	253,898	-	28,854	632,507
Assistance	-	-	297,742	-	-	-	-	-	297,742
Automotive	-	-	2,813	-	9,186	48,071	3,444	57,029	120,543
Contract services	35,334	-	-	-	12,550	46,625	190,681	365,956	651,146
Education	13,511	-	-	-	306,150	-	-	-	319,661
Honorarium	-	218,123	-	-	250	-	-	3,466	221,839
Insurance	-	37,443	-	18,441	22,854	17,153	-	-	95,891
Interest and bank charges	-	1,863	-	-	-	-	-	-	1,863
Interest on demand loans and long-term debt	10,004	-	-	60,556	-	-	-	-	70,560
Licences, dues and fees	16,329	-	-	-	8,294	-	-	444	25,067
Materials and supplies	36,992	63,046	13,402	-	140,756	90,840	102,781	55,791	503,608
Office and other	140,089	65,368	25,128	-	8,119	-	-	-	238,704
Professional fees	-	50,526	-	7,900	-	-	-	29,038	87,464
Repairs and maintenance	-	-	3,267	90,540	-	-	37,576	1,760	133,143
Training	-	25,048	1,407	-	29,286	10,800	-	2,490	69,031
Travel	-	71,083	15,627	2,750	3,293	-	136	2,309	95,198
Utilities	-	37,570	2,541	-	26,891	45,350	-	5,024	117,376
Wages and benefits	-	355,988	169,886	-	704,956	245,960	127,662	514,045	2,118,497
	<u>271,359</u>	<u>719,899</u>	<u>565,053</u>	<u>342,837</u>	<u>1,534,493</u>	<u>790,807</u>	<u>471,869</u>	<u>1,120,577</u>	<u>5,816,894</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES									
	<u>\$ 2,577,652</u>	<u>\$ (302,740)</u>	<u>\$ 142,073</u>	<u>\$ 20,804</u>	<u>\$ (263,526)</u>	<u>\$ (381,134)</u>	<u>\$ 116,036</u>	<u>\$ (6,231)</u>	<u>\$ 1,902,934</u>

See accompanying notes to financial statements.