

**COOK'S FERRY BAND**  
**SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

EXHIBIT

***SUMMARY FINANCIAL STATEMENTS:***

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Cook's Ferry 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 auditing standards.

  
\_\_\_\_\_  
Councillor

  
\_\_\_\_\_  
Councillor



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## INDEPENDENT AUDITORS' REPORT

To the members of COOK'S FERRY BAND

EXHIBIT A1

### *Report on the Financial Statements*

We have audited the accompanying financial statements of COOK'S FERRY 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 changes 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 auditors' 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 COOK'S FERRY BAND as at March 31, 2014, and the results of its operations, 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 36 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  
August 23, 2014

### *Disclaimer of Liability*


These summary financial statements were examined and this Audit Opinion issued solely for the use of COOK'S FERRY 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.

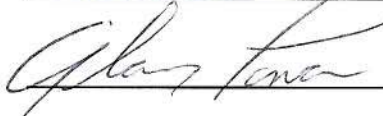
**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF FINANCIAL POSITION**  
**March 31, 2014**

<b>FINANCIAL ASSETS</b>	<b>2014</b>	<b>2013</b>
Cash	\$ 1,799,860	\$ 1,302,402
Restricted cash (Note A3)	464,120	414,976
Grants and accounts receivable	200,654	382,033
Long-term investments and advances (Note A4)	904,286	784,847
Investment in 9086 Investments Ltd. (Note A5)	<u>107,446</u>	<u>117,905</u>
	<u>3,476,366</u>	<u>3,002,163</u>
<b>LIABILITIES</b>		
Accounts payable and accruals	357,979	278,421
Deferred revenue (Note A6)	326	326
Demand loans (Note A7)	40,834	78,402
Long-term debt (Note A8)	186,551	203,254
Obligation under capital lease (Note A9)	42,705	-
Reforestation obligation (Note A10)	<u>889</u>	<u>889</u>
	<u>629,284</u>	<u>561,292</u>
<b>NET FINANCIAL ASSETS</b>	<b>2,847,082</b>	<b>2,440,871</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note A11)	10,342,161	10,497,369
Prepaid expenses	<u>16,969</u>	<u>53,006</u>
<b>ACCUMULATED SURPLUS (Note A12)</b>	<b>\$ 13,206,212</b>	<b>\$ 12,991,246</b>

COMMITMENTS AND CONTINGENCIES (Note A13)

APPROVED BY THE BAND:

  
 Councillor

  
 Councillor

**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF ACCUMULATED SURPLUS**  
**March 31, 2014**

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	2014	2013
ACCUMULATED SURPLUS, beginning of year	\$ 12,991,246	\$ 10,848,229
EXCESS OF REVENUES OVER EXPENSES	94,467	2,016,310
UNREALIZED GAINS (Exhibit A5)	<u>120,499</u>	<u>126,707</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 13,206,212</u>	<u>\$ 12,991,246</u>

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**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF OPERATIONS**  
**Year ended March 31, 2014**

	Budget	2014	2013
<b>REVENUE:</b>			
Aboriginal Affairs and Northern Development Canada	\$ 1,027,882	\$ 1,027,882	\$ 3,129,435
Leases and rentals	61,650	61,272	75,451
Property taxes	85,000	76,118	74,248
First Nations Education Steering Committee	2,307	1,998	30,000
CNR Grant-in-lieu	-	11,979	11,822
Interior Salish Employment and Training Society	8,205	6,585	7,756
Teck Highland Valley Copper Partnership	641,556	632,108	583,569
Income - Ottawa Trust Funds	-	46,037	7,437
Canada Mortgage and Housing Corporation	15,840	15,581	15,839
Province of BC - Forest and Range Opportunity	70,173	122,759	140,345
Forest and Range Opportunity - Log Sales	270,000	325,976	313,771
Heskw'en'scutxe Health Services Society	50,838	26,350	23,981
Miscellaneous revenues	65,930	145,860	167,160
	<u>2,299,381</u>	<u>2,500,505</u>	<u>4,580,814</u>
<b>EXPENSES:</b>			
Band Revenue	302,143	214,489	221,606
Teck Highland Valley Copper Partnership Protocol Agreement	553,396	597,613	580,637
BC Mine Revenue Sharing	-	-	34,951
Teck Highland Valley Copper Partnership Interim Participation Agreement	-	3,946	-
Band Support	200,447	280,010	224,895
Band Employee Benefits	11,160	19,599	21,887
Social Services	197,677	166,989	186,129
Fundraising	8,200	3,595	7,964
National Child Benefit	19,774	19,774	19,346
Graveyard Project	-	-	100,000
Heavy Equipment Operator Training	-	-	9,219
Economic Development	12,506	16,016	12,703
Real Property Taxation	17,040	23,156	16,982
Negotiation Preparedness - BC Capacity Initiative	-	-	186,500
Environment Canada - Species at Risk Project	12,221	26,948	7,227
Steelhead Recovery Project	38,466	31,486	1,534
Education	122,950	145,046	137,787
Tuition Agreement	193,000	193,305	198,287
Brighter Futures	10,050	11,582	10,781
Training Program	2,307	1,815	5,000
New Relationship Trust	25,000	25,000	25,000
Scholarship	500	-	500
Community Infrastructure - Operation & Maintenance	127,013	461,221	412,876
Community Centre Operations	29,428	41,854	28,601
Basque Ranch	32,297	33,560	32,552
Modular Home	7,925	3,172	917
Safe Water Operations Program	7,800	7,800	7,800
Interior Allied Memorial Project	-	2,321	5,191
Rental Housing	19,232	32,364	22,991
Social Housing Operation	46,504	43,377	44,641
	<u>1,997,036</u>	<u>2,406,038</u>	<u>2,564,504</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 302,345</b>	<b>\$ 94,467</b>	<b>\$ 2,016,310</b>

See accompanying notes to financial statements.

**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**Year ended March 31, 2014**

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	<b>2014</b>	2013
ACCUMULATED REMEASUREMENT GAINS, beginning of year	<u><b>\$ 396,709</b></u>	<u>\$ 270,002</u>
UNREALIZED GAINS ATTRIBUTED TO:		
Equity in 9086 Investments Ltd.	<b>1,060</b>	5,848
Equity in Swl'eps Limited Partnership	<u><b>119,439</b></u>	<u>120,859</u>
	<u><b>120,499</b></u>	<u>126,707</u>
ACCUMULATED REMEASUREMENT GAINS, end of year	<u><u><b>\$ 517,208</b></u></u>	<u><u>\$ 396,709</u></u>

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**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**Year ended March 31, 2014**

	Budget	2014	2013
EXCESS OF REVENUES OVER EXPENSES	\$ 302,345	\$ 94,467	\$ 2,016,310
Acquisition of tangible capital assets	(101,300)	(178,046)	(1,702,811)
Amortization of tangible capital assets	-	333,254	292,134
Unrealized gains (Exhibit A5)	-	120,499	126,707
Change in prepaid expenses	-	36,037	(23,423)
INCREASE IN NET FINANCIAL ASSETS	201,045	406,211	708,917
NET FINANCIAL ASSETS, beginning of year	2,440,871	2,440,871	1,731,954
NET FINANCIAL ASSETS, end of year	\$ 2,641,916	\$ 2,847,082	\$ 2,440,871

See accompanying notes to financial statements.

**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF CASH FLOWS**  
Year ended March 31, 2014

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess of revenue over expenses	\$ 94,467	\$ 2,016,310
Non-cash charges to operations:		
Amortization	333,254	292,134
Investments	(108,980)	(124,840)
(Increase) decrease in:		
Grants and accounts receivable	181,379	743,161
Prepaid expenses	36,037	(23,423)
Increase (decrease) in:		
Accounts payable and accruals	79,559	(282,439)
Deferred revenue	-	(41,038)
Cash flows from operations	<u>615,716</u>	<u>2,579,865</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds on obligation under capital lease	56,099	-
Debt reduction	(54,271)	(57,092)
Repayment of obligation under capital lease	(13,395)	-
Cash flows used in financing	<u>(11,567)</u>	<u>(57,092)</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>		
Restricted cash	(49,144)	(7,568)
Unrealized gains (Exhibit A5)	120,499	126,707
Acquisition of tangible capital assets	(178,046)	(1,702,811)
Cash flows used in investing	<u>(106,691)</u>	<u>(1,583,672)</u>
<b>INCREASE IN CASH RESOURCES</b>	<b>497,458</b>	<b>939,101</b>
<b>CASH RESOURCES, beginning of year</b>	<u><b>1,302,402</b></u>	<u><b>363,301</b></u>
<b>CASH RESOURCES, end of year</b>	<u><b>\$ 1,799,860</b></u>	<u><b>\$ 1,302,402</b></u>

See accompanying notes to financial statements.

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

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**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 Cook's Ferry 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 Cook's Ferry 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 Aboriginal Affairs and Northern Development Canada.
- The Capital Fund which reports the property and equipment of the First Nation, together with their related financing.
- The Social Housing Fund which reports the social housing assets of the First Nation, together with related activities.

b) Reporting Entity and Principles of Financial Reporting:

The Cook's Ferry Band reporting entity includes the Cook's Ferry 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:

- Cook's Ferry Band Operating Fund
- Cook's Ferry Band Trust Fund
- Cook's Ferry Band Capital Fund
- Cook's Ferry Band Social Housing 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.

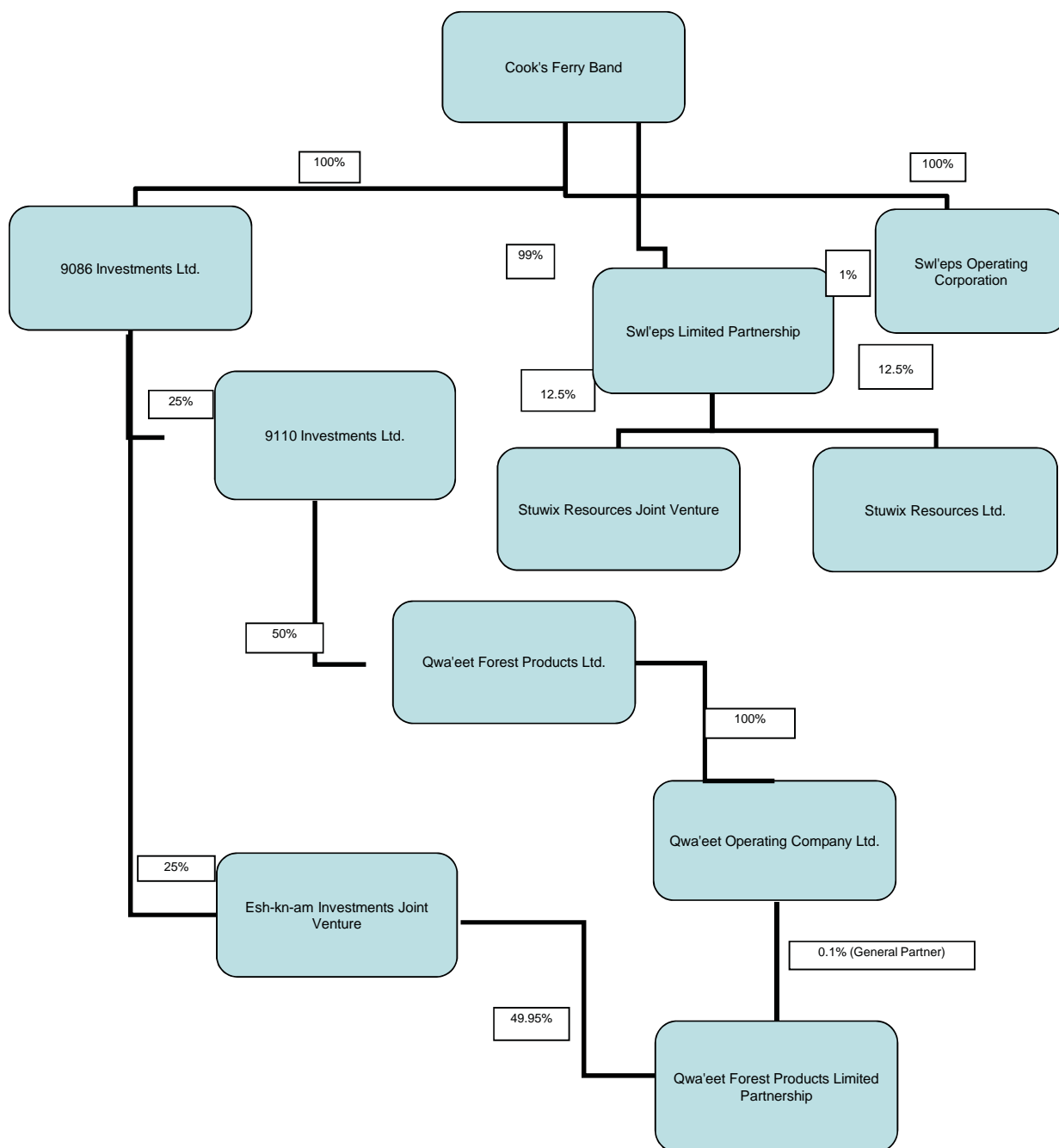
Incorporated business entities, which are owned or controlled by Cook's Ferry Band and which are not dependent on the First Nation for their continuing operations, are included in the summary financial statements using the modified equity method. These include:

- 9086 Investments Ltd.
- Swl'eps Limited Partnership
- Swl'eps Operating Corporation

A detailed organization chart follows:

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

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



**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

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

c) Accrual Method:

The accrual method is used in accounting.

d) 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 Changes in Net Financial Assets for the year.

1) 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

Roads	5 to 75 years
Parking lot	20 to 75 years
Water Systems	20 to 80 years
Pimainus Dam	60 years
Buildings	20 to 40 years
Automotive	10 years
Equipment	5 to 15 years

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

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.

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.

2) 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.

e) Deferred Revenue:

Revenue is recorded in the period to which it relates.

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

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

f) Revenue Recognition:

The Cook's Ferry 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.

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.

g) Long-term Investments:

Long-term investments are recorded at cost.

h) Replacement Reserve:

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

i) Operating Reserve:

The Operating Reserve account is funded by an allocation of the excess or shortfall of annual minimum revenue contribution and Canada Mortgage & Housing Corporation subsidies over current eligible expenditures.

j) Reforestation:

As part of the Band's Woodlot #1477 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.

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

**NOTE A2. FINANCIAL INSTRUMENTS:**

**Fair Value of Financial Assets and Financial Liabilities:**

The carrying values of cash, grants and accounts receivable, 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 advances to related parties due to the limited amount of comparable market information available.

**Credit Risk:**

The Band is exposed to credit risk by its funding agencies and suppliers. However, because the majority of funding is from government agencies and there is a large number of suppliers, credit risk concentration is reduced to the minimum.

**Interest Risk:**

Demand loans have both fixed and 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 a fixed interest rate at 2.11% until January 2019. Therefore interest expense will decrease with principal repayment of the mortgage and interest risk is reduced to the minimum.

**NOTE A3. RESTRICTED CASH:**

	2014	2013
Replacement Reserve (CMHC)	\$ 90,065	\$ 86,942
Operating Reserve (CMHC)	36,086	36,102
Ottawa Trust Funds	<u>337,969</u>	<u>291,932</u>
	<u><u>\$ 464,120</u></u>	<u><u>\$ 414,976</u></u>

a) Replacement Reserve:

Under the terms of the agreement with Canada Mortgage & Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$8,300 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 & Housing Corporation from time to time. Withdrawals are credited to interest first and then principal.

Balance, beginning of year	\$ 90,043	\$ 82,360
Allocation for the year	8,300	8,300
Interest earned	22	22
Approved expenditures	<u>(944)</u>	<u>(639)</u>
Balance, end of year	<u><u>\$ 97,421</u></u>	<u><u>\$ 90,043</u></u>

The Replacement Reserve is represented by:

Cash	<u><u>\$ 90,065</u></u>	<u><u>\$ 86,942</u></u>
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**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

**NOTE A3. RESTRICTED CASH (continued):**

b) Operating Reserve:

Under the terms of the agreement with Canada Mortgage & Housing Corporation, after the payment of all costs and expenditures, 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 & Housing Corporation.

	2014	2013
Balance, beginning of year	\$ 27,230	\$ 28,560
Transfer from operations	(732)	(1,439)
Interest income	9	109
	<u>26,507</u>	<u>27,230</u>
Balance, end of year	<u>\$ 26,507</u>	<u>\$ 27,230</u>
The Operating Reserve is represented by:		
Cash	<u>\$ 36,086</u>	<u>\$ 36,102</u>

c) 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.

**NOTE A4. LONG-TERM INVESTMENTS AND ADVANCES:**

	2014	2013
Swl'eps Operating Corporation, at cost:		
Share capital - 100%	\$ 1	\$ 1
Advances, unsecured, noninterest bearing, no stated terms of repayment	2,090	2,090
Accumulated equity in losses	<u>(2,090)</u>	<u>(2,090)</u>
	<u>1</u>	<u>1</u>
Swl'eps Limited Partnership:		
Advances, unsecured, noninterest bearing, no stated terms of repayment	51,962	51,962
Accumulated equity in income	852,323	732,884
	<u>904,285</u>	<u>784,846</u>
	<u>\$ 904,286</u>	<u>\$ 784,847</u>

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
March 31, 2014

NOTE A4. <b>LONG-TERM INVESTMENTS AND ADVANCES (continued):</b>	2014	2013
Financial information for Swl'eps Operating Corporation is as follows:		
Assets	\$ 3,553	\$ 5,799
Liabilities	<u>12,359</u>	<u>13,565</u>
Equity	<u>\$ (8,806)</u>	<u>\$ (7,766)</u>
Revenues	\$ 1,207	\$ 1,262
Expenses	<u>2,246</u>	<u>2,240</u>
Net loss	<u>\$ (1,039)</u>	<u>\$ (978)</u>
Financial information for Swl'eps Limited Partnership is as follows:		
Assets	\$ 1,512,741	\$ 1,412,336
Liabilities	<u>618,597</u>	<u>638,837</u>
Equity	<u>\$ 894,144</u>	<u>\$ 773,499</u>
Revenues	\$ 1,767,382	\$ 1,631,740
Expenses	<u>1,646,737</u>	<u>1,509,660</u>
Net income	<u>\$ 120,645</u>	<u>\$ 122,080</u>

NOTE A5. <b>INVESTMENT IN 9086 INVESTMENTS LTD.:</b>	2014	2013
9086 Investments Ltd. (100%):		
Shares	\$ 1	\$ 1
Advances	440,470	451,989
Accumulated equity in losses	<u>(333,025)</u>	<u>(334,085)</u>
	<u>\$ 107,446</u>	<u>\$ 117,905</u>

Shares are held in trust by specified Band Members under a trust agreement.

Financial information for 9086 Investments Ltd. is as follows:

Assets	\$ 157,635	\$ 187,151
Liabilities	<u>490,659</u>	<u>521,233</u>
Equity	<u>\$ (333,024)</u>	<u>\$ (334,082)</u>
Revenues	\$ 160,662	\$ 232,781
Expenses	<u>159,604</u>	<u>226,931</u>
Net income	<u>\$ 1,058</u>	<u>\$ 5,850</u>

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

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<b>NOTE A6. DEFERRED REVENUE:</b>	<b>2014</b>	2013
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Amounts deferred are summarized below:

Rent	<u>\$ 326</u>	<u>\$ 326</u>
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<b>NOTE A7. DEMAND LOANS:</b>	<b>2014</b>	2013
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Band Operations:

TD Canada Trust, demand loan, repayable in monthly installments of \$2,917 plus interest at the bank's prime rate plus 1.5%, secured by a general security agreement covering all assets of Band, due May 2015	\$ 40,834	\$ 75,834
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TD Canada Trust, mortgage, repaid during the year	<u>-</u>	<u>2,568</u>
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	<u>\$ 40,834</u>	<u>\$ 78,402</u>
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Principal repayments due in the ensuing 2 years are approximately as follows:

2016	\$ 35,000
2017	5,834

<b>NOTE A8. LONG-TERM DEBT:</b>	<b>2014</b>	2013
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Social Housing Operations:

Canada Mortgage & Housing Corporation, repayable in monthly installments of \$1,779 including interest at 2.11% per annum, due January 2019, secured by buildings with a carrying value of \$348,838	\$ 186,551	\$ 203,254
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Less current portion	<u>17,575</u>	<u>203,254</u>
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	<u>\$ 168,976</u>	<u>\$ -</u>
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The mortgage is guaranteed by Aboriginal Affairs and Northern Development Canada.

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

2015	\$ 17,575
2016	17,950
2017	18,332
2018	18,723
2019	113,971

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

**NOTE A9. OBLIGATION UNDER CAPITAL LEASE:**

The Band entered into two capital leases for computer equipment with RCAP Leasing Inc., for a period of 36 months commencing June and August 2013.

Payments due on the capital lease for each of the 3 years subsequent to March 31, 2014 are as follows:

2015	<b>\$ 21,098</b>
2016	<b>21,098</b>
2017	<b><u>4,522</u></b>
Total minimum lease payments	<b><u>46,718</u></b>
Less amounts representing interest at average of 7.42%	<b><u>4,013</u></b>
Present value of net minimum capital lease payments	<b>42,705</b>
Current portion of obligation under capital lease	<b><u>18,352</u></b>
	<b><u><u>\$ 24,353</u></u></b>

**NOTE A10. REFORESTATION OBLIGATION:**

	<b>2014</b>	2013
Reforestation obligation (Woodlot License #1477)	<b><u>\$ 889</u></b>	<b><u>\$ 889</u></b>

**NOTE A11. TANGIBLE CAPITAL ASSETS:**

	<b>2014</b>	2013
Tangible capital assets consist of the following:		
Band Operations:		
Land	<b>\$ 389,177</b>	\$ 389,177
Roads	<b>1,506,261</b>	1,539,729
Parking Lot	<b>11,593</b>	13,012
Water Systems	<b>5,692,561</b>	5,678,936
Pimainus Dam	<b>526,583</b>	537,568
Buildings	<b>1,710,077</b>	1,823,170
Automotive	<b>29,913</b>	37,315
Equipment	<b><u>155,192</u></b>	<u>134,744</u>
	<b><u>10,021,357</u></b>	<u>10,153,651</u>
Social Housing:		
Buildings	<b><u>320,804</u></b>	<u>343,718</u>
	<b><u><u>\$ 10,342,161</u></u></b>	<b><u><u>\$ 10,497,369</u></u></b>

The Band is the primary beneficiary of the Pimainus Dam project. At March 31, 2014, legal title has not been transferred to the Band.

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

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

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NOTE A12. **ACCUMULATED SURPLUS:** 2014 2013

Accumulated surplus consists of individual fund surpluses and reserves as follows:

Surplus from operations	<u>\$ 2,206,044</u>	<u>\$ 2,055,122</u>
Externally restricted deficit (see below)	<u>(51,010)</u>	<u>(85,505)</u>
Accumulated remeasurement gains	<u>517,208</u>	<u>396,709</u>
Invested in tangible capital assets	<u>10,072,071</u>	<u>10,215,713</u>
Long-term investments	<u>2</u>	<u>2</u>
Funded reserves:		
Ottawa trust funds (Note A3)	337,969	291,932
Replacement reserve (CMHC) (Note A3)	97,421	90,043
Operating reserve (CMHC) (Note A3)	<u>26,507</u>	<u>27,230</u>
	<u>461,897</u>	<u>409,205</u>
	<u><u>\$ 13,206,212</u></u>	<u><u>\$ 12,991,246</u></u>

Externally restricted surplus consists of the surplus funds for the BC Mine Revenue Sharing project. These funds are externally restricted for the negotiations between the Band and represented Nlaka'pamux First Nations and the Province of BC towards an Economic and Community Development Agreement for the Highland Valley Copper Mine expansion.

NOTE A13. **COMMITMENTS AND CONTINGENCIES:**

Lease commitment:

The Band rents a photocopier under a long-term lease which expires December 2016.

The Band entered into a long-term supply agreement for internet services which expires April 2021.

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

2016	\$ 26,220
2017	26,220
2018	24,930
2019	21,060
2020	21,060
Thereafter	<u>21,060</u>
	<u><u>\$ 140,550</u></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.
- b) Housing Mortgages:  
The Band is guarantor of various Housing mortgages, secured by Ministerial guarantees, including \$36,487 for capital housing and \$186,884 for Social Housing for a total of \$223,371.

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

**NOTE A13. COMMITMENTS AND CONTINGENCIES (continued):**

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 \$4,940 (2013 \$5,636).

**NOTE A14. EXPENDITURE BY OBJECT:**

	<b>2014</b>	<b>2013</b>
Wages and benefits	\$ 341,476	\$ 462,894
Repairs and maintenance	77,060	73,216
Office, materials and supplies	993,054	967,537
Professional fees, contracted services and other fees to governments	749,987	794,405
Social Assistance	244,461	266,452
	<u><u>\$ 2,406,038</u></u>	<u><u>\$ 2,564,504</u></u>

**NOTE A15. SEGMENTED INFORMATION:**

The Cook's Ferry Band is a First Nations government institution that provides a range of programs and services to its members, including band revenue, administration, community services, natural resources/economic development, education, maintenance, capital and housing. 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.

**Community Services**

Community Services 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.

**Natural Resources/Economic Development**

Natural Resources/Economic Development 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.

**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.

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2014**

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**NOTE A15. SEGMENTED INFORMATION (continued):**

**Maintenance**

Maintenance supports the construction, operation and basic maintenance of community facilities and services such as water and sewage, roads and electrification. 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**

Capital manages capital projects within the community undertaken to support the growth and / or maintenance of the First Nation's infrastructure.

**Housing**

Housing is responsible for the administration and management of Social Housing units, Band-owned housing units and renovation projects for private homeowners.

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

**NOTE A16. ECONOMIC DEPENDENCE:**

Cook's Ferry Band receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

**NOTE A17. RELATED PARTY TRANSACTIONS:**

During the year, the Band charged rent of \$13,860 (2013 \$13,200) to Heskwen'scutxe Health Services Society, the Band is one of two members of this Health Services Society.

During the year, the Band received funds for Brighter Futures fees of \$12,490 (2013 \$10,781) from Heskwen'scutxe Health Services Society, the Band is one of two members of this Health Services Society.

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

**NOTE A18. CASH FLOW INFORMATION:**

During the year, the Band paid interest on long-term debt of \$7,407 (2013 \$10,483) and received interest of \$15,130 (2013 \$15,814).

**NOTE A19. BUDGET FIGURES:**

The budget information has been provided for presentation purposes only, but has not been approved by Chief and Council.

**COOK'S FERRY BAND**  
**SUMMARY SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
Year ended March 31, 2014

	Land	Roads	Parking Lot	Water Systems	Pimainus Dam	Buildings	Automotive	Equipment	Social Housing	2014	2013
<b>Cost</b>											
Balance, beginning of year	\$ 389,177	\$ 1,909,662	\$ 35,719	\$ 6,096,454	\$ 621,709	\$ 3,000,034	\$ 74,015	\$ 536,483	\$ 536,024	\$ 13,199,277	\$ 11,496,466
Add: Additions during the year	-	7,966	-	110,867	-	-	-	59,213	-	178,046	1,702,811
Balance, end of year	<u>389,177</u>	<u>1,917,628</u>	<u>35,719</u>	<u>6,207,321</u>	<u>621,709</u>	<u>3,000,034</u>	<u>74,015</u>	<u>595,696</u>	<u>536,024</u>	<u>13,377,323</u>	<u>13,199,277</u>
<b>Accumulated amortization</b>											
Balance, beginning of year	-	369,933	22,707	417,518	84,141	1,176,864	36,700	401,739	192,306	2,701,908	2,409,774
Add: Amortization	-	41,434	1,419	97,242	10,985	113,093	7,402	38,765	22,914	333,254	292,134
Balance, end of year	<u>-</u>	<u>411,367</u>	<u>24,126</u>	<u>514,760</u>	<u>95,126</u>	<u>1,289,957</u>	<u>44,102</u>	<u>440,504</u>	<u>215,220</u>	<u>3,035,162</u>	<u>2,701,908</u>
<b>Net Book Value of Tangible Capital Assets</b>	<u>\$ 389,177</u>	<u>\$ 1,506,261</u>	<u>\$ 11,593</u>	<u>\$ 5,692,561</u>	<u>\$ 526,583</u>	<u>\$ 1,710,077</u>	<u>\$ 29,913</u>	<u>\$ 155,192</u>	<u>\$ 320,804</u>	<u>\$ 10,342,161</u>	<u>\$ 10,497,369</u>

See accompanying notes to financial statements.

**COOK'S FERRY BAND**  
**STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2014**

	Band Revenue	Administration	Community Services	Natural Resources/ Economic Development	Education	Maintenance	Capital	Housing	Other	Total 2014	Total 2013
<b>REVENUE:</b>											
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 189,941	\$ 184,244	\$ 82,964	\$ 281,157	\$ 170,743	\$ 118,833	\$ -	\$ -	\$ 1,027,882	\$ 3,129,435
Leases and rentals	-	-	-	-	-	14,486	-	45,960	-	60,446	78,826
CMHC	-	-	-	-	-	-	-	15,581	-	15,581	15,839
Province of BC	122,759	-	-	-	-	-	-	-	-	122,759	180,345
Consulting and contract	899,278	-	-	-	-	-	-	-	-	899,278	829,290
Interest	5,880	332	-	30	-	-	-	9	8,879	15,130	15,814
Miscellaneous	132,034	38,305	4,432	76,118	39,488	27,755	-	4,139	37,158	359,429	331,265
	<u>1,159,951</u>	<u>228,578</u>	<u>188,676</u>	<u>159,112</u>	<u>320,645</u>	<u>212,984</u>	<u>118,833</u>	<u>65,689</u>	<u>46,037</u>	<u>2,500,505</u>	<u>4,580,814</u>
<b>EXPENSES:</b>											
Administration fees	-	-	-	-	-	-	-	3,830	-	3,830	3,830
Amortization	-	1,436	-	-	-	308,905	-	22,914	-	333,255	292,134
Assistance	-	-	122,173	-	122,288	-	-	-	-	244,461	266,452
Automotive	-	-	-	-	-	2,231	-	-	-	2,231	3,805
Community infrastructure	-	-	-	-	-	13,987	-	-	-	13,987	12,176
Contract services	149,198	13,115	-	61,473	23,550	6,498	-	170	-	254,004	417,556
Education	-	-	-	-	200,877	-	-	-	-	200,877	205,784
Honorarium	116,846	-	-	-	6,125	-	-	-	-	122,971	118,198
Insurance	-	5,200	-	-	-	11,618	-	11,108	-	27,926	24,754
Interest and bank charges	-	3,576	-	-	-	26	2,321	25	-	5,948	7,874
Materials and supplies	426	4,079	22,129	-	9,430	9,346	-	-	-	45,410	51,557
Office and other	25,487	13,426	229	1,030	-	1,228	-	10,161	-	51,561	58,416
Professional fees	445,518	16,287	2,913	14,221	5,825	5,556	-	5,663	-	495,983	376,849
Repairs and maintenance	-	1,048	-	-	-	54,747	-	21,265	-	77,060	73,216
Training	1,026	6,406	-	-	300	13,262	-	-	-	20,994	32,408
Travel	22,553	11,576	6,713	3,459	1,097	2,446	-	-	-	47,844	75,492
Utilities	30,139	18,478	2,187	-	-	64,810	-	606	-	116,220	81,109
Wages and benefits	24,855	204,982	34,014	17,421	7,255	52,949	-	-	-	341,476	462,894
	<u>816,048</u>	<u>299,609</u>	<u>190,358</u>	<u>97,604</u>	<u>376,747</u>	<u>547,609</u>	<u>2,321</u>	<u>75,742</u>	<u>-</u>	<u>2,406,038</u>	<u>2,564,504</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>											
	<u>\$ 343,903</u>	<u>\$ (71,031)</u>	<u>\$ (1,682)</u>	<u>\$ 61,508</u>	<u>\$ (56,102)</u>	<u>\$ (334,625)</u>	<u>\$ 116,512</u>	<u>\$ (10,053)</u>	<u>\$ 46,037</u>	<u>\$ 94,467</u>	<u>\$ 2,016,310</u>

See accompanying notes to financial statements.

**COOK'S FERRY BAND**  
**STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2013**

	Band Revenue	Administration	Community Services	Natural Resources/ Economic Development	Education	Maintenance	Capital	Housing	Other	Total 2013
<b>REVENUE:</b>										
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 177,600	\$ 326,136	\$ 208,638	\$ 266,379	\$ 169,505	\$ 1,981,177	\$ -	\$ -	\$ 3,129,435
Leases and rentals	3,375	-	-	-	-	20,750	-	54,701	-	78,826
CMHC	-	-	-	-	-	-	-	15,839	-	15,839
Province of BC	140,345	-	-	40,000	-	-	-	-	-	180,345
Consulting and contract	827,411	-	1,879	-	-	-	-	-	-	829,290
Interest	8,049	173	-	14	-	-	-	141	7,437	15,814
Miscellaneous	133,051	38,184	10,914	74,248	40,781	30,257	-	3,830	-	331,265
	<u>1,112,231</u>	<u>215,957</u>	<u>338,929</u>	<u>322,900</u>	<u>307,160</u>	<u>220,512</u>	<u>1,981,177</u>	<u>74,511</u>	<u>7,437</u>	<u>4,580,814</u>
<b>EXPENSES:</b>										
Administration fees	-	-	-	-	-	-	-	3,830	-	3,830
Amortization	-	1,436	-	-	-	267,784	-	22,914	-	292,134
Assistance	-	-	146,323	-	120,129	-	-	-	-	266,452
Automotive	-	-	-	-	-	3,805	-	-	-	3,805
Community infrastructure	-	-	-	-	-	12,176	-	-	-	12,176
Contract services	256,038	7,619	93,986	22,202	27,095	7,706	-	2,910	-	417,556
Fees and tuition	-	-	-	-	205,784	-	-	-	-	205,784
Honorarium	78,670	-	6,490	27,538	5,500	-	-	-	-	118,198
Insurance	-	1,135	-	-	-	12,353	-	11,266	-	24,754
Interest and bank charges	-	3,369	-	-	-	232	4,273	-	-	7,874
Materials and supplies	326	4,354	21,158	7,600	9,735	8,205	138	41	-	51,557
Office and other	23,316	9,597	2,601	9,559	500	140	-	12,703	-	58,416
Professional fees	326,239	8,123	2,923	14,249	5,846	13,796	-	5,673	-	376,849
Repairs and maintenance	-	2,689	-	12,000	-	51,152	780	6,595	-	73,216
Training	1,823	895	-	18,648	-	11,042	-	-	-	32,408
Travel	42,681	5,144	12,727	10,907	2,767	1,266	-	-	-	75,492
Utilities	8,989	20,479	2,388	-	-	47,552	-	1,701	-	81,109
Wages and benefits	99,108	181,942	34,062	102,243	-	45,539	-	-	-	462,894
	<u>837,190</u>	<u>246,782</u>	<u>322,658</u>	<u>224,946</u>	<u>377,356</u>	<u>482,748</u>	<u>5,191</u>	<u>67,633</u>	<u>-</u>	<u>2,564,504</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<u>\$ 275,041</u>	<u>\$ (30,825)</u>	<u>\$ 16,271</u>	<u>\$ 97,954</u>	<u>\$ (70,196)</u>	<u>\$ (262,236)</u>	<u>\$ 1,975,986</u>	<u>\$ 6,878</u>	<u>\$ 7,437</u>	<u>\$ 2,016,310</u>

See accompanying notes to financial statements.