

**SISKA INDIAN BAND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

EXHIBIT

***CONSOLIDATED FINANCIAL STATEMENTS:***

|    |  |            |
|----|--|------------|
| A  | MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING          |            |
| A1 | INDEPENDENT AUDITORS' REPORT                                 |            |
| A2 | CONSOLIDATED STATEMENT OF FINANCIAL POSITION                 |            |
| A3 | CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS                |            |
| A4 | CONSOLIDATED STATEMENT OF OPERATIONS                         |            |
| A5 | CONSOLIDATED OF STATEMENT OF CHANGES IN NET FINANCIAL ASSETS |            |
| A6 | CONSOLIDATED STATEMENT OF CASH FLOWS                         |            |
|    | NOTES TO CONSOLIDATED FINANCIAL STATEMENTS                   |            |
|    | CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS             | APPENDIX 1 |
|    | CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED   | APPENDIX 2 |

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of SISKI 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 judgments. 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 integrity and reliability of SISKI INDIAN BAND 's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

Chief and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and are ultimately responsible for reviewing and approving the financial statements. Chief and Council carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by Chief and Council and meets periodically with management to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to Chief and Council prior to its approval of the financial statements. The Committee also considers, for review by Chief and Council, 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.

  
Chief

  
Councillor

  
Councillor



**DALEY &  
COMPANY** LLP  
Chartered Accountants

900-235 1st Ave.  
Kamloops, BC V2C 3J4  
p. 250.374.5577  
f. 250.374.5573  
toll free. 1.877.374.5577  
email. admin@daleyllp.ca  
www.daleyllp.ca

Norman Daley, BCom, CA  
Paul Mumford, BBA, CA  
Michael Parker, BCom, CA  
Maureen McCurdy, BBA, CA  
Sean Wandler, BBA, CA  
Incorporated Professionals

## INDEPENDENT AUDITORS' REPORT

To the Members,  
SISKA INDIAN BAND

EXHIBIT A1

### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of SISKA INDIAN BAND, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statement of accumulated surplus, consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated 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 consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material 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 consolidated 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 consolidated financial statements.

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of SISKA INDIAN 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 Matters*

Our audit was conducted for the purpose of forming an opinion on the consolidated 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 27 are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Daley & Company LLP*  
Chartered Accountants

Kamloops, BC  
June 19, 2014

### *Disclaimer of Liability*

These consolidated financial statements were examined and this Audit Opinion issued solely for the use of SISKA INDIAN BAND. Daley & Company Chartered Accountants LLP makes no representations of any kind to any other person in respect of these consolidated 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.

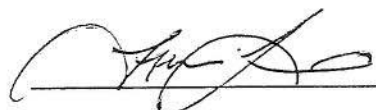


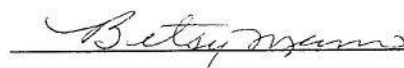
**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**March 31, 2014**

| <b>FINANCIAL ASSETS</b>                      | <b>2014</b>         | <b>2013</b>         |
|--|---------------------|---------------------|
| Cash   | \$ 1,601,125        | \$ 1,455,138        |
| Restricted cash (Note A3)                    | 232,695             | 218,166             |
| Grants and accounts receivable               | 134,429             | 180,074             |
| Inventory                                    | 9,733               | 6,327               |
| Long-term investments and advances (Note A4) | 72,276              | 5,000               |
| Investments in controlled entities (Note A5) | <u>559,673</u>      | <u>1,040,624</u>    |
|  | <u>2,609,931</u>    | <u>2,905,329</u>    |
| <b>LIABILITIES</b>                           |                     |                     |
| Accounts payable and accruals                | 137,485             | 244,725             |
| Deferred revenue (Note A6)                   | 15,102              | -                   |
| Long-term debt (Note A7)                     | <u>-</u>            | <u>2,472</u>        |
|  | <u>152,587</u>      | <u>247,197</u>      |
| <b>NET FINANCIAL ASSETS</b>                  | <b>2,457,344</b>    | <b>2,658,132</b>    |
| <b>NON-FINANCIAL ASSETS</b>                  |                     |                     |
| Tangible capital assets (Note A8)            | 2,083,187           | 1,856,219           |
| Prepaid expenses                             | <u>18,691</u>       | <u>13,446</u>       |
| <b>ACCUMULATED SURPLUS (Note A9)</b>         | <b>\$ 4,559,222</b> | <b>\$ 4,527,797</b> |

CONTINGENCIES (Note A10)

APPROVED BY THE BAND:

 Chief

 Councilor

 Councilor

See accompanying notes to financial statements.

**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS**  
Year ended March 31, 2014

---

|  | 2014                | 2013                |
|--|---------------------|---------------------|
| ACCUMULATED SURPLUS, beginning of year | \$ 4,527,797        | \$ 4,485,338        |
| EXCESS OF REVENUE OVER EXPENSES        | <u>31,425</u>       | <u>42,459</u>       |
| ACCUMULATED SURPLUS, end of year       | <u>\$ 4,559,222</u> | <u>\$ 4,527,797</u> |

---

See accompanying notes to financial statements.

**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
Year ended March 31, 2014

|  | Budget            | 2014                    | 2013             |
|--|-------------------|-------------------------|------------------|
| <b>REVENUE:</b>                                    |                   |                         |                  |
| Aboriginal Affairs and Northern Development Canada | \$ 752,160        | <b>\$ 800,618</b>       | \$ 715,047       |
| Leases and rentals                                 | -                 | <b>87,612</b>           | 154,614          |
| CMHC   | -                 | <b>714</b>              | 12,020           |
| Province of BC                                     | -                 | <b>107,096</b>          | 143,157          |
| Consulting and contract                            | -                 | <b>451,869</b>          | 365,021          |
| Interest   | -                 | <b>6,779</b>            | 5,705            |
| Miscellaneous                                      | 76,431            | <b>180,856</b>          | 168,852          |
|  | <u>\$ 828,591</u> | <u><b>1,635,544</b></u> | <u>1,564,416</u> |
| <b>EXPENSES:</b>                                   |                   |                         |                  |
| Band General                                       | \$ 2,400          | <b>102,298</b>          | 89,655           |
| Administration                                     | 13,805            | <b>271,019</b>          | 215,579          |
| Community Services                                 | 207,383           | <b>190,612</b>          | 254,932          |
| Natural Resources / Economic Development           | 49,977            | <b>268,158</b>          | 242,975          |
| Education  | 88,050            | <b>179,783</b>          | 378,306          |
| Maintenance  | 155,190           | <b>336,553</b>          | 204,588          |
| Social Housing                                     | -                 | <b>363</b>              | 33,814           |
| Other  | -                 | <b>255,333</b>          | 102,108          |
|  | <u>\$ 516,805</u> | <u><b>1,604,119</b></u> | <u>1,521,957</u> |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>             |                   | <b>\$ 31,425</b>        | <b>\$ 42,459</b> |

**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
Year ended March 31, 2014

---

|   | 2014                | 2013                |
|---|---------------------|---------------------|
| EXCESS OF REVENUE OVER EXPENSES                               | \$ 31,425           | \$ 42,459           |
| Acquisition of tangible capital assets                        | (370)               | (57,861)            |
| Amortization of tangible capital assets                       | 81,053              | 87,965              |
| Change in prepaid expenses                                    | (5,245)             | (12,112)            |
| Change in accounting treatment of controlled entity (Note A1) | <u>(307,651)</u>    | <u>-</u>            |
| INCREASE (DECREASE) IN NET FINANCIAL ASSETS                   | (200,788)           | 60,451              |
| NET FINANCIAL ASSETS, beginning of year                       | <u>2,658,132</u>    | <u>2,597,681</u>    |
| NET FINANCIAL ASSETS, end of year                             | <u>\$ 2,457,344</u> | <u>\$ 2,658,132</u> |

---

See accompanying notes to financial statements.

**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
Year ended March 31, 2014

|  | 2014                    | 2013                  |
|--|-------------------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b> |                         |                       |
| Excess of revenue over expenses              | \$ 31,425               | \$ 42,459             |
| Non-cash charges to operations:              |                         |                       |
| Amortization                                 | 81,053                  | 87,965                |
| (Increase) decrease in:                      |                         |                       |
| Grants and accounts receivable               | 45,645                  | 852,299               |
| Inventory                                    | (3,406)                 | (84)                  |
| Prepaid expenses                             | (5,245)                 | (12,112)              |
| Increase (decrease) in:                      |                         |                       |
| Accounts payable and accruals                | (107,240)               | 204,595               |
| Deferred revenue                             | 15,102                  | -                     |
| Cash flows from operations                   | <u>57,334</u>           | <u>1,175,122</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b> |                         |                       |
| Debt reduction                               | <u>(2,472)</u>          | <u>(41,486)</u>       |
| Cash flows used in financing                 | <u>(2,472)</u>          | <u>(41,486)</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b> |                         |                       |
| Funded reserve transfers                     | (14,529)                | (5,549)               |
| Long-term investments and advances           | (67,276)                | -                     |
| Investments in controlled entities           | 173,300                 | (102,791)             |
| Cash flows from (used in) investing          | <u>91,495</u>           | <u>(108,340)</u>      |
| <b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>   |                         |                       |
| Acquisition of tangible capital assets       | <u>(370)</u>            | <u>(57,861)</u>       |
| Cash flows used in capital                   | <u>(370)</u>            | <u>(57,861)</u>       |
| <b>INCREASE IN CASH</b>                      | <b>145,987</b>          | <b>967,435</b>        |
| <b>CASH, beginning of year</b>               | <b><u>1,455,138</u></b> | <b><u>487,703</u></b> |
| <b>CASH, end of year</b>                     | <b>\$ 1,601,125</b>     | <b>\$ 1,455,138</b>   |

See accompanying notes to financial statements.



**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

---

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

These consolidated 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 Siska 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 consolidated financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Siska Indian 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 Siska Indian Band reporting entity includes the Siska Indian 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:

- Siska Indian Band Operating Fund
- Siska Indian Band Trust Fund
- Siska Indian Band Capital Fund
- Siska Indian 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 Siska Indian Band and which are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. These include:

- Michuk Forestry Limited Partnership

Incorporated business entities, which are owned or controlled by Siska Indian Band and which are dependent on the First Nation for their continuing operations, are consolidated in the consolidated financial statements. These include:

- Skw'akw'iyap Economic Development Corp.
- Siska Traditions Society

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

---

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

b) Reporting Entity and Principles of Financial Reporting (continued):

Change in accounting treatment - Skw'akw'iyap Economic Development Corp.

During the year, management determined that Skw'akw'iyap Economic Development Corp. no longer met the definition of a government business enterprise. As such, the Company has become a government unit and has been consolidated in the Band's financial statements. The change in status of the Company was not a specific observable event, but has occurred over time. As a result, the Band has accounted for the Company as a government unit for the current fiscal year and has not applied this change in accounting treatment retroactively. This change has not affected the current year excess of revenue over expenses or accumulated surplus.

The equity recorded as of March 31, 2013 of \$291,896 (Note A5) was comprised of the following balances that were consolidated in the Band's financial statements as of April 1, 2013:

|   |                   |
|---|-------------------|
| Current Assets  | \$ 286,828        |
| Investment in Qwa'eet Forest Products Limited Partnership | 64,084            |
| Advances to Qwa'eet Forest Products Ltd.                  | 1,125             |
| Tangible capital assets                                   | 307,651           |
| Liabilities   | <u>(367,792)</u>  |
|   | <u>\$ 291,896</u> |

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  |
| Water Systems | 20 to 80 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.

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

---

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

d) Non-financial Assets (continued):

1) Tangible Capital Assets (continued):

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) Revenue Recognition:

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.

f) Long-term Investments:

Long-term investments are recorded at cost.

g) Inventories:

Inventories or materials and supplies which will be consumed in the maintenance of the Band are expensed when acquired; inventories of goods for resale (in commercial operations) are valued at the lower of cost (determined on a weighted average basis) and net realizable value.

h) Deferred Revenue:

Revenue is recorded in the period to which it relates.

i) Replacement Reserve:

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

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

---

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

j) 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, accounts payable and accrued liabilities 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.

**NOTE A3. RESTRICTED CASH:**

|                            | <b>2014</b>              | 2013                     |
|----------------------------|--------------------------|--------------------------|
| Replacement Reserve (CMHC) | \$ -                     | \$ 1,740                 |
| Ottawa Trust Funds         | <u>232,695</u>           | <u>216,426</u>           |
|                            | <u><u>\$ 232,695</u></u> | <u><u>\$ 218,166</u></u> |

a) 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 \$Nil (2013 \$9,161) 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.

|                                    |                    |                         |
|------------------------------------|--------------------|-------------------------|
| Balance, beginning of year         | \$ 83,033          | \$ 115,388              |
| Allocation for the year            | -                  | 9,161                   |
| Adjustment for phases paid in full | <u>(83,033)</u>    | <u>(41,516)</u>         |
| Balance, end of year               | <u><u>\$ -</u></u> | <u><u>\$ 83,033</u></u> |

The Replacement Reserve is represented by:

|      |                    |                        |
|------|--------------------|------------------------|
| Cash | <u><u>\$ -</u></u> | <u><u>\$ 1,740</u></u> |
|------|--------------------|------------------------|

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

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

b) 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:**

|  | <b>2014</b>      | <b>2013</b>     |
|--|------------------|-----------------|
| All Nations Trust Company, at cost:                                    |                  |                 |
| 7,500 Class A common shares, par value \$1.00                          | \$ 5,000         | \$ 5,000        |
| Qwa'eet Forest Products Limited Partnership:                           |                  |                 |
| Partnership interest - 12.49%  | 66,151           | -               |
| Qwa'eet Forest Products Ltd.:  |                  |                 |
| Advances, non-interest bearing, unsecured no stated terms of repayment | 1,125            | -               |
|  | <u>\$ 72,276</u> | <u>\$ 5,000</u> |

**NOTE A5. INVESTMENTS IN CONTROLLED ENTITIES:**

|  | <b>2014</b>       | <b>2013</b>         |
|--|-------------------|---------------------|
| Michuk Forestry Limited Partnership:                                   |                   |                     |
| Partnership interest - 99.99% Limited Partner                          |                   |                     |
| Balance, beginning of year   | \$ 748,728        | \$ 629,401          |
| Equity earnings  | 120,110           | 119,327             |
| Drawings   | (16,625)          | -                   |
| Less amount due from Michuk Forestry Company Ltd.                      | (292,540)         | -                   |
| Balance, end of year   | <u>559,673</u>    | <u>748,728</u>      |
| Skw'akw'iyap Economic Development Corp., at cost:                      |                   |                     |
| Share capital - 100%   | -                 | 120                 |
| Advances, unsecured, noninterest bearing, no stated terms of repayment | -                 | 924,468             |
| Less allowances  | -                 | (632,692)           |
|  | <u>-</u>          | <u>291,896</u>      |
|  | <u>\$ 559,673</u> | <u>\$ 1,040,624</u> |

Financial information for Michuk Forestry Limited Partnership:

|                   | <b>2014</b>       | <b>2013</b>       |
|-------------------|-------------------|-------------------|
| Assets            | \$ 1,178,273      | \$ 1,092,877      |
| Liabilities       | <u>618,600</u>    | <u>638,841</u>    |
| Partners' capital | <u>\$ 559,673</u> | <u>\$ 454,036</u> |
| Revenues          | \$ 1,765,521      | \$ 1,627,897      |
| Expenses          | <u>1,645,399</u>  | <u>1,508,559</u>  |
| Net income        | <u>\$ 120,122</u> | <u>\$ 119,338</u> |

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

---

**NOTE A6. DEFERRED REVENUE:** **2014** 2013

Amounts deferred are summarized below:

|  |                         |                    |
|--|-------------------------|--------------------|
| Professional and institutional development revenue | <u><u>\$ 15,102</u></u> | <u><u>\$ -</u></u> |
|--|-------------------------|--------------------|

The Band received \$39,450 during the year for professional and institutional development from AANDC. The deferred amount represents unspent funds as of March 31, 2014 as these will have to be returned if not used upon the completion of the project.

**NOTE A7. LONG-TERM DEBT:** **2014** 2013

All Nations Trust Company, repaid during the year \$ - \$ 2,472

Less current portion - 2,472

\$ - \$ -

**NOTE A8. TANGIBLE CAPITAL ASSETS:** **2014** 2013

Tangible capital assets consist of the following:

|  |                            |                            |
|--|----------------------------|----------------------------|
| Band Operations:                         |                            |                            |
| Roads                                    | \$ 606,451                 | \$ 618,346                 |
| Water Systems                            | 439,308                    | 458,034                    |
| Buildings                                | 637,347                    | 438,941                    |
| Automotive                               | 75,485                     | 86,213                     |
| Equipment                                | 1,000                      | 2,000                      |
|  | <u>1,759,591</u>           | <u>1,603,534</u>           |
| Social Housing:                          |                            |                            |
| Buildings                                | <u>-</u>                   | <u>230,720</u>             |
| Siska Traditions Society:                |                            |                            |
| Building                                 | <u>20,647</u>              | <u>21,965</u>              |
| Skw'akw'iyap Economic Development Corp.: |                            |                            |
| Land                                     | 261,531                    | -                          |
| Buildings                                | 30,893                     | -                          |
| Automotive                               | 1,901                      | -                          |
| Equipment                                | 8,624                      | -                          |
|  | <u>302,949</u>             | <u>-</u>                   |
|  | <u><u>\$ 2,083,187</u></u> | <u><u>\$ 1,856,219</u></u> |

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



**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

---

**NOTE A9. ACCUMULATED SURPLUS:** **2014** 2013

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

|                                      |                            |                     |
|--------------------------------------|----------------------------|---------------------|
| Surplus from operations              | <u><b>\$ 2,238,220</b></u> | <u>\$ 2,366,999</u> |
| Invested in tangible capital assets  | <u><b>2,083,187</b></u>    | <u>1,856,219</u>    |
| Long-term investments                | <u><b>5,120</b></u>        | <u>5,120</u>        |
| Funded reserves:                     |                            |                     |
| Ottawa trust funds (Note A3)         | <b>232,695</b>             | 216,426             |
| Replacement reserve (CMHC) (Note A3) | <u>-</u>                   | <u>83,033</u>       |
|                                      | <u><b>232,695</b></u>      | <u>299,459</u>      |
|                                      | <u><b>\$ 4,559,222</b></u> | <u>\$ 4,527,797</u> |

**NOTE A10. CONTINGENCIES:**

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 for 2013/2014 funding.
- b) 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 \$6,144 (2013 \$8,533).

**NOTE A11. SEGMENTED INFORMATION:**

The Siska Indian Band is a First Nations government institution that provides a range of programs and services to its members, including band revenue, administration, community services, economic development, education, maintenance, 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.

**SISKA INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2014**

---

**NOTE A11. SEGMENTED INFORMATION (continued):**

**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**

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.

**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.

**Social Housing**

Housing is responsible for the administration and management of Social Housing units and renovation projects for private homeowners.

**Other**

Other amounts include revenue from the Ottawa Trust Funds and revenue and expenses of Siska Traditions Society and Skw'akw'iyap Economic Development Corp .

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 A12. ECONOMIC DEPENDENCE:**

Siska Indian Band receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

**NOTE A13. CASH FLOW INFORMATION:**

During the year, interest expense of \$2 was paid and interest income of \$6,311 was received.

**NOTE A14. 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.

**SISKA INDIAN BAND**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
Year ended March 31, 2014

|  | Land              | Roads             | Water<br>Systems  | Buildings         | Automotive       | Equipment       | Social<br>Housing | 2014                | 2013                |
|--|-------------------|-------------------|-------------------|-------------------|------------------|-----------------|-------------------|---------------------|---------------------|
| <b>Cost:</b>   |                   |                   |                   |                   |                  |                 |                   |                     |                     |
| Balance, beginning of year   | \$ -              | \$ 936,364        | \$ 807,333        | \$ 1,672,373      | \$ 107,284       | \$ 25,000       | \$ 550,615        | \$ 4,098,969        | \$ 5,011,938        |
| Add: Additions during the year                                     | -                 | -                 | -                 | -                 | -                | 370             | -                 | 370                 | 57,861              |
| Add: Change in accounting treatment of controlled entity (Note A1) | 261,531           | -                 | -                 | 46,476            | 12,426           | 29,188          | -                 | 349,621             | -                   |
| Add (Less): Transfers  | -                 | -                 | -                 | 550,615           | -                | -               | (550,615)         | -                   | -                   |
| Less: Disposals during the year                                    | -                 | -                 | -                 | -                 | -                | -               | -                 | -                   | (970,830)           |
| Balance, end of year   | 261,531           | 936,364           | 807,333           | 2,269,464         | 119,710          | 54,558          | -                 | 4,448,960           | 4,098,969           |
| <b>Accumulated amortization:</b>                                   |                   |                   |                   |                   |                  |                 |                   |                     |                     |
| Balance, beginning of year   | -                 | 318,018           | 349,299           | 1,211,467         | 21,071           | 23,000          | 319,895           | 2,242,750           | 3,125,615           |
| Add: Amortization  | -                 | 11,895            | 18,726            | 34,919            | 11,543           | 3,970           | -                 | 81,053              | 87,965              |
| Add: Change in accounting treatment of controlled entity (Note A1) | -                 | -                 | -                 | 14,296            | 9,710            | 17,964          | -                 | 41,970              | -                   |
| Add (Less): Transfers  | -                 | -                 | -                 | 319,895           | -                | -               | (319,895)         | -                   | -                   |
| Less: Disposals during the year                                    | -                 | -                 | -                 | -                 | -                | -               | -                 | -                   | (970,830)           |
| Balance, end of year   | -                 | 329,913           | 368,025           | 1,580,577         | 42,324           | 44,934          | -                 | 2,365,773           | 2,242,750           |
| <b>Net Book Value of Tangible Capital Assets</b>                   | <b>\$ 261,531</b> | <b>\$ 606,451</b> | <b>\$ 439,308</b> | <b>\$ 688,887</b> | <b>\$ 77,386</b> | <b>\$ 9,624</b> | <b>\$ -</b>       | <b>\$ 2,083,187</b> | <b>\$ 1,856,219</b> |

See accompanying notes to financial statements.

**SISKA INDIAN BAND**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2014**

|  | Band             | Administration     | Community Services | Natural Resources |                    |                     | Social Housing  | Other              | Total 2014       | Total 2013       |
|--|------------------|--------------------|--------------------|-------------------|--------------------|---------------------|-----------------|--------------------|------------------|------------------|
|  | Revenue          |                    |                    | Development       | Education          | Maintenance         |                 |                    |                  |                  |
| <b>REVENUE:</b>                                    |                  |                    |                    |                   |                    |                     |                 |                    |                  |                  |
| Aboriginal Affairs and Northern Development Canada | \$ -             | \$ 212,850         | \$ 284,924         | \$ 9,912          | \$ 137,742         | \$ 155,190          | \$ -            | \$ -               | \$ 800,618       | \$ 715,047       |
| Leases and rentals                                 | 83,886           | -                  | -                  | -                 | -                  | -                   | 3,726           | -                  | 87,612           | 154,614          |
| CMHC   | -                | -                  | -                  | -                 | -                  | -                   | 714             | -                  | 714              | 12,020           |
| Province of BC                                     | -                | -                  | -                  | 107,096           | -                  | -                   | -               | -                  | 107,096          | 143,157          |
| Consulting and contract                            | -                | 400                | 4,000              | 259,589           | 22,910             | -                   | -               | 164,970            | 451,869          | 365,021          |
| Interest   | -                | -                  | -                  | -                 | -                  | -                   | -               | 6,779              | 6,779            | 5,705            |
| Miscellaneous                                      | 45,414           | -                  | 1,000              | 122,404           | -                  | -                   | -               | 12,038             | 180,856          | 168,852          |
|  | <u>129,300</u>   | <u>213,250</u>     | <u>289,924</u>     | <u>499,001</u>    | <u>160,652</u>     | <u>155,190</u>      | <u>4,440</u>    | <u>183,787</u>     | <u>1,635,544</u> | <u>1,564,416</u> |
|  |                  |                    |                    |                   |                    |                     |                 |                    |                  |                  |
| <b>EXPENSES:</b>                                   |                  |                    |                    |                   |                    |                     |                 |                    |                  |                  |
| Administration fees                                | -                | (18,197)           | -                  | -                 | 18,197             | -                   | -               | -                  | -                | -                |
| Assistance   | -                | -                  | 178,916            | -                 | 90,670             | -                   | -               | -                  | 269,586          | 349,748          |
| Bad debts and writedowns                           | -                | -                  | -                  | -                 | -                  | -                   | -               | 1,033              | 1,033            | 11,591           |
| Amortization                                       | -                | -                  | -                  | -                 | -                  | 74,664              | -               | 6,391              | 81,055           | 87,965           |
| Contract services                                  | -                | 5,434              | -                  | 83,780            | -                  | -                   | -               | 8,133              | 97,347           | 210,660          |
| Honorarium   | 19,725           | -                  | -                  | 1,425             | -                  | -                   | -               | 5,170              | 26,320           | 23,464           |
| Insurance  | 13,290           | 14,069             | -                  | -                 | -                  | -                   | -               | 3,516              | 31,204           | 27,223           |
| Interest and bank charges                          | -                | 1,318              | -                  | 190               | -                  | -                   | 2               | 1,362              | 2,872            | 2,097            |
| Materials and supplies                             | -                | -                  | -                  | 411               | 34,000             | -                   | -               | 1,710              | 36,121           | 33,579           |
| Office and other                                   | 32,399           | 5,766              | 11,696             | 108,993           | 2,750              | -                   | 32              | 18,661             | 180,297          | 125,844          |
| Professional fees                                  | -                | 61,226             | -                  | 2,742             | -                  | -                   | -               | 15,416             | 79,384           | 81,007           |
| Repairs and maintenance                            | 22,830           | -                  | -                  | -                 | -                  | 185,914             | -               | 1,255              | 209,999          | 90,692           |
| Training   | -                | 1,677              | -                  | -                 | -                  | -                   | -               | -                  | 1,677            | 4,175            |
| Travel   | 14,054           | 7,439              | -                  | 489               | -                  | -                   | -               | 12,208             | 34,190           | 38,924           |
| Utilities  | -                | 14,898             | -                  | -                 | -                  | -                   | -               | 2,949              | 17,847           | 17,668           |
| Wages and benefits                                 | -                | 177,389            | -                  | 70,128            | 34,166             | 75,975              | -               | 177,529            | 535,187          | 417,320          |
|  | <u>102,298</u>   | <u>271,019</u>     | <u>190,612</u>     | <u>268,158</u>    | <u>179,783</u>     | <u>336,553</u>      | <u>363</u>      | <u>255,333</u>     | <u>1,604,119</u> | <u>1,521,957</u> |
|  |                  |                    |                    |                   |                    |                     |                 |                    |                  |                  |
| <b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b> | <b>\$ 27,002</b> | <b>\$ (57,769)</b> | <b>\$ 99,312</b>   | <b>\$ 230,843</b> | <b>\$ (19,131)</b> | <b>\$ (181,363)</b> | <b>\$ 4,077</b> | <b>\$ (71,546)</b> | <b>\$ 31,425</b> | <b>\$ 42,459</b> |

See accompanying notes to financial statements.

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

|  | Band<br>Revenue  | Administration     | Community<br>Services | Natural Resources<br>/ Economic<br>Development | Education          | Maintenance         | Social<br>Housing | Other              | Total<br>2013    |
|--|------------------|--------------------|-----------------------|--|--------------------|---------------------|-------------------|--------------------|------------------|
| <b>REVENUE:</b>  |                  |                    |                       |  |                    |                     |                   |                    |                  |
| Aboriginal Affairs and Northern<br>Development Canada  | \$ -             | \$ 162,025         | \$ 156,784            | \$ 56,243                                      | \$ 313,843         | \$ 68,652           | \$ (42,500)       | \$ -               | \$ 715,047       |
| Leases and rentals                                     | 89,471           | -                  | -                     | -  | -                  | -                   | 65,143            | -                  | 154,614          |
| CMHC   | -                | -                  | -                     | -  | -                  | -                   | 12,020            | -                  | 12,020           |
| Province of BC   | -                | -                  | -                     | 143,157  | -                  | -                   | -                 | -                  | 143,157          |
| Consulting and contract                                | -                | 11,600             | 4,000                 | 278,158  | 49,904             | -                   | -                 | 21,359             | 365,021          |
| Interest   | -                | -                  | -                     | -  | -                  | -                   | -                 | 5,705              | 5,705            |
| Miscellaneous  | 36,676           | -                  | 9,155                 | 123,021  | -                  | -                   | -                 | -                  | 168,852          |
|  | <u>126,147</u>   | <u>173,625</u>     | <u>169,939</u>        | <u>600,579</u>                                 | <u>363,747</u>     | <u>68,652</u>       | <u>34,663</u>     | <u>27,064</u>      | <u>1,564,416</u> |
| <b>EXPENSES:</b>                                       |                  |                    |                       |  |                    |                     |                   |                    |                  |
| Administration fees                                    | -                | (19,004)           | -                     | -  | 19,004             | -                   | -                 | -                  | -                |
| Assistance   | -                | -                  | 246,947               | -  | 102,801            | -                   | -                 | -                  | 349,748          |
| Bad debts and writedowns                               | -                | -                  | -                     | 9,881  | -                  | -                   | -                 | 1,710              | 11,591           |
| Amortization   | -                | -                  | -                     | -  | -                  | 70,831              | 15,732            | 1,402              | 87,965           |
| Contract services                                      | -                | 5,487              | -                     | 30,695   | 174,478            | -                   | -                 | -                  | 210,660          |
| Honorarium   | 21,748           | -                  | -                     | 1,716  | -                  | -                   | -                 | -                  | 23,464           |
| Insurance  | 6,905            | 14,606             | -                     | -  | -                  | -                   | 5,712             | -                  | 27,223           |
| Interest and bank charges                              | -                | 973                | -                     | 220  | -                  | -                   | 579               | 325                | 2,097            |
| Materials and supplies                                 | -                | -                  | -                     | 1,647  | 31,932             | -                   | -                 | -                  | 33,579           |
| Office and other                                       | 9,262            | 8,986              | 7,985                 | 94,278   | -                  | -                   | 384               | 4,949              | 125,844          |
| Professional fees                                      | -                | 49,638             | -                     | 23,764   | -                  | -                   | 3,000             | 4,605              | 81,007           |
| Repairs and maintenance                                | 25,513           | -                  | -                     | -  | -                  | 57,013              | 8,166             | -                  | 90,692           |
| Training   | -                | 4,175              | -                     | -  | -                  | -                   | -                 | -                  | 4,175            |
| Travel   | 26,227           | 9,203              | -                     | 497  | -                  | -                   | -                 | 2,997              | 38,924           |
| Utilities  | -                | 14,885             | -                     | -  | -                  | -                   | 241               | 2,542              | 17,668           |
| Wages and benefits                                     | -                | 126,630            | -                     | 80,277   | 50,091             | 76,744              | -                 | 83,578             | 417,320          |
|  | <u>89,655</u>    | <u>215,579</u>     | <u>254,932</u>        | <u>242,975</u>                                 | <u>378,306</u>     | <u>204,588</u>      | <u>33,814</u>     | <u>102,108</u>     | <u>1,521,957</u> |
| <b>EXCESS (SHORTFALL) OF REVENUE<br/>OVER EXPENSES</b> | <b>\$ 36,492</b> | <b>\$ (41,954)</b> | <b>\$ (84,993)</b>    | <b>\$ 357,604</b>                              | <b>\$ (14,559)</b> | <b>\$ (135,936)</b> | <b>\$ 849</b>     | <b>\$ (75,044)</b> | <b>\$ 42,459</b> |

See accompanying notes to financial statements.