

XENI GWET'IN FIRST NATIONS GOVERNMENT

FINANCIAL STATEMENTS

MARCH 31, 2014

XENI GWET'IN FIRST NATIONS GOVERNMENT

ANNUAL FINANCIAL REPORT

MARCH 31, 2014

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TSILHQOT'IN PEOPLE OF XENI



Xeni Gwet'in First Nations Government

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ANNUAL FINANCIAL REPORT

MARCH 31, 2014

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Xeni Gwet'in First Nations Government and all the information in this annual report are the responsibility of management and have been approved by the First Nations Government.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nations Government 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 First Nations Government's assets are appropriately accounted for and adequately safeguarded. In addition, the First Nations Government is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The First Nations Government reviews the financial statements and recommends their approval. The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the annual report, the financial statements and the external auditors' report. The Council takes this information into consideration when approving the financial statements for issuance to the Members. The Council also considers, for the approval of the Members, the engagement of the external auditors.

The financial statements have been audited by Tombe Herrington, Chartered Accountants LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. Tombe Herrington, Chartered Accountants LLP have full and free access to the Council of the First Nations Government.

Chief

Band Manager

TOMBE HERRINGTON

CHARTERED ACCOUNTANTS LLP

Member of Canadian Tax Foundation
Member of Institute of Chartered Business Valuators
Members of Institute of Chartered Accountants of B.C.

Pat Tombe, C.A.
Gordon Herrington, C.A., C.B.V.
Diane Routhier, C.A.
Incorporated Professionals

INDEPENDENT AUDITOR'S REPORT

To the Council and Members of
Xeni Gwet'in First Nations Government

We have audited the accompanying summary financial statements of Xeni Gwet'in First Nations Government, which comprise the summary statement of financial position as at March 31, 2014 and the summary statements of financial activities and equity, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of 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, these summary financial statements present fairly, in all material respects, the financial position of Xeni Gwet'in First Nations Government as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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



Chartered Accountants LLP

Kamloops, Canada
July 25, 2014




XENI GWET'IN FIRST NATIONS GOVERNMENT
SUMMARY STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

| | 2014 | 2013 |
|---|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Cash | \$ 563,226 | \$ 301,883 |
| Restricted cash and other assets (Note 3) | 166,585 | 164,633 |
| Accounts receivable (Note 4) | 307,641 | 554,127 |
| Long-term investments (Note 6) | 3 | 3 |
| | <u>1,037,455</u> | <u>1,020,646</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 264,387 | 369,713 |
| Damage deposits payable | 3,475 | 3,413 |
| Ottawa trust monies (Note 8) | 104,799 | 100,904 |
| Long-term debt (Note 9) | 1,240,202 | 1,318,721 |
| Replacement reserve (Note 10) | 71,447 | 59,390 |
| Operating reserve (Note 11) | 45,944 | 41,788 |
| | <u>1,730,254</u> | <u>1,893,929</u> |
| NET DEBT | <u>(692,799)</u> | <u>(873,283)</u> |
| NON-FINANCIAL ASSETS | | |
| Inventory | 58,106 | 59,747 |
| Prepaid expenses | 55,651 | 57,685 |
| Property and equipment (Note 7) | 5,887,963 | 6,139,748 |
| | <u>6,001,720</u> | <u>6,257,180</u> |
| EQUITY (Note 12) | <u>\$ 5,308,921</u> | <u>\$ 5,383,897</u> |

ECONOMIC DEPENDENCE (Note 2)
CONTINGENT LIABILITIES (Note 13)

APPROVED ON BEHALF OF THE MEMBERS:



Chief



Manager

XENI GWET'IN FIRST NATIONS GOVERNMENT
SUMMARY STATEMENT OF FINANCIAL ACTIVITIES AND EQUITY
FOR THE YEAR ENDED MARCH 31, 2014

| | 2014 Budget | 2014 Actual | 2013 Actual |
|---|------------------|---------------------|---------------------|
| REVENUES | | | |
| Aboriginal Affairs and Northern Development Canada (net of recoveries of \$19,051) | \$ 2,024,838 | \$ 2,024,838 | \$ 2,082,699 |
| CMHC | 59,327 | 59,327 | 61,432 |
| Social housing | 80,273 | 80,273 | 76,576 |
| Xeni Gwet'in Enterprises | 1,350,099 | 1,350,099 | 1,631,969 |
| Eniyud Health Services | 1,177,363 | 1,177,363 | 1,435,735 |
| Other revenues | 908,923 | 908,923 | 1,020,870 |
| | <u>5,600,823</u> | <u>5,600,823</u> | <u>6,309,281</u> |
| EXPENDITURES | | | |
| Economic development | 180,748 | 180,748 | 263,239 |
| Education | 354,926 | 354,926 | 415,440 |
| Social development | 612,702 | 612,702 | 580,108 |
| Capital facilities and community | 765,245 | 765,245 | 529,892 |
| Social housing | 139,600 | 139,600 | 138,008 |
| Xeni Gwet'in Enterprises | 1,366,132 | 1,366,132 | 1,802,217 |
| Eniyud Health Services | 986,557 | 986,557 | 1,617,239 |
| Band support | 1,096,625 | 1,096,625 | 1,234,536 |
| | <u>5,502,535</u> | <u>5,502,535</u> | <u>6,580,679</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | <u>\$ 98,288</u> | 98,288 | (271,398) |
| OPERATING EQUITY, beginning of year | | 562,871 | 834,269 |
| OPERATING EQUITY, end of year (Note 12) | | 661,159 | 562,871 |
| EQUITY IN INVESTMENTS, end of year (Note 12) | | 3 | 3 |
| EQUITY IN PROPERTY AND EQUIPMENT, beginning of year | | 4,821,023 | 5,149,058 |
| Acquisition of property and equipment | | 205,078 | 70,920 |
| Amortization of property and equipment | | (456,861) | (476,408) |
| Increase in long-term debt | | - | - |
| Principal repayments of long-term debt | | 78,519 | 77,453 |
| EQUITY IN PROPERTY AND EQUIPMENT, end of year (Note 12) | | 4,647,759 | 4,821,023 |
| EQUITY, end of year | | <u>\$ 5,308,921</u> | <u>\$ 5,383,897</u> |

XENI GWET'IN FIRST NATIONS GOVERNMENT
SUMMARY STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2014

| | 2014 Actual | 2013 Actual |
|---|----------------|----------------|
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 98,288 | \$ (271,398) |
| Principal repayments on long-term debt deducted from operations | 78,519 | 77,453 |
| Property and equipment acquired (net of financing) deducted from operations | 205,078 | 70,920 |
| Purchase of property and equipment | (205,078) | (70,920) |
| Consumption (acquisition) of inventory | 1,643 | 5,933 |
| Use (increase) of prepaid expense | 2,034 | 1,581 |
| INCREASE (DECREASE) IN NET FINANCIAL ASSETS | 180,484 | (186,431) |
| NET DEBT, beginning of year | (873,283) | (686,852) |
| NET DEBT, end of year | \$ (692,799) | \$ (873,283) |

XENI GWET'IN FIRST NATIONS GOVERNMENT
SUMMARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014

| | 2014 | 2013 |
|--|---------------|---------------|
| OPERATING TRANSACTIONS | | |
| Excess (deficiency) of revenue over expenditures | \$ 98,288 | \$ (271,398) |
| Adjustment for Capital and Investment Transactions included in Operations: | | |
| Principal repayments on long-term debt | 78,519 | 77,453 |
| Property and equipment acquired (net of related debt) | 205,078 | 70,920 |
| Increase in replacement reserve and operating reserves | 16,213 | 6,557 |
| Change in non-cash operating items | 146,842 | (176,540) |
| Cash provided by operating transactions | 544,940 | (293,008) |
| FINANCING TRANSACTIONS | | |
| (Repayments of) long-term debt | (78,519) | (77,453) |
| Cash provided by (applied to) financing transactions | (78,519) | (77,453) |
| INVESTING TRANSACTIONS | | |
| Purchase of property and equipment | (205,078) | (70,920) |
| Cash provided by (applied to) investing transactions | (205,078) | (70,920) |
| INCREASE (DECREASE) IN CASH, during the year | 261,343 | (441,381) |
| CASH, beginning of year | 301,883 | 743,264 |
| Cash, end of year | \$ 563,226 | \$ 301,883 |
| COMPRISED OF: | | |
| Cash | \$ 563,226 | \$ 301,883 |
| | \$ 563,226 | \$ 301,883 |
| Cash paid during the year for interest | \$ 20,390 | \$ 26,493 |

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO SUMMARY FINANCIAL STATEMENTS
MARCH 31, 2014

The financial statements of the Xeni Gwet'in First Nations Government have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results could differ from those estimates.

Unless otherwise noted, it is management's opinion that the Band is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of the financial instruments approximate their carrying value, unless otherwise noted.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within a framework of the significant accounting policies summarized below:

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These summary statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

a) Fund Accounting

The Xeni Gwet'in First Nations Government used 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 Band maintains the following funds:

- The Operating Fund which reports the general activities of the Band administration.
- The General Capital Fund which reports the property and equipment of the Band, together with the related financing.
- The Trust Fund which reports on trust funds owned by the Band and held by third parties.
- The Enterprise Fund which reports the Band's business enterprises.
- The Social Housing Fund which reports the Band's social housing operations.
- The Eniyud Health Services Fund which reports the Band's health services.

b) Reporting Entity and Principles of Financial Reporting

The Xeni Gwet'in First Nations Government reporting entity includes the Xeni Gwet'in First Nations Government and all related entities which are accountable to the First Nations Government and are either owned or controlled by the First Nations Government.

c) Property and Equipment

Property and infrastructure expenditures incurred after April 1, 1990 are valued at acquisition cost and recorded in the Capital Fund. Expenditures incurred previous to April 1, 1990 are reflected in the Capital Fund for \$1.

The acquisition costs of property and equipment and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as an addition to assets with a corresponding increase in Equity in Property and Equipment.

d) Amortization

Property and equipment recorded are amortized annually with a corresponding reduction in Equity in Property and Equipment. Property and equipment are amortized over their expected useful life using the straight-line method at the following rates:

| | |
|--------------------------------|-----|
| Office furniture and equipment | 30% |
| Buildings | 4% |
| Mobile home | 4% |
| Band houses | 4% |
| Infrastructure | 4% |
| Other equipment | 10% |
| Excavating equipment | 30% |
| Automotive equipment | 30% |

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO SUMMARY FINANCIAL STATEMENTS
MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

e) Revenue Recognition and Restricted Cash and Other Assets

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and as such on the Statement of Financial Position. Cash and other assets whose use is restricted have also been disclosed separately on the Summary Statement of Financial Position.

f) Comparative Figures

Prior year comparative figures have been reclassified where necessary to conform to the current year's presentation.

2. ECONOMIC DEPENDENCE

A significant portion of the Band's revenue is comprised of funding received from Aboriginal Affairs Northern Development Canada (AANDC) and other government departments. The Band's ability to continue operations is dependent upon the continuation of such funding.

3. RESTRICTED CASH AND OTHER ASSETS

| | 2014 | 2013 |
|---|-------------------|-------------------|
| Social Housing replacement reserve - cash | \$ 33,857 | \$ 35,800 |
| Social Housing operating reserve - cash | 27,929 | 27,929 |
| Ottawa Trust Monies - cash | 103,272 | 99,737 |
| Ottawa Trust Monies - interest receivable | 1,527 | 1,167 |
| | <u>\$ 166,585</u> | <u>\$ 164,633</u> |

4. ACCOUNTS RECEIVABLE

| | 2014 | 2013 |
|--|-------------------|-------------------|
| Chief, councilors and band members | \$ 10,684 | \$ 39,612 |
| Aboriginal Affairs and Northern Development Canada | 76,830 | 32,352 |
| Aboriginal Aquaculture Association | 14,554 | - |
| CCATEC | 5,250 | 23,583 |
| Community Action Initiative | - | 50,000 |
| Community Wildfire | 53,072 | - |
| First Nations Health Authority | 694 | 18,750 |
| Government of Canada | 25,022 | 102,781 |
| GST/HST rebate | 11,144 | 32,470 |
| Interior Roads | 31,462 | - |
| Other | 146,619 | 207,212 |
| Province of BC | - | 154,977 |
| Western Economic Diversification | - | 166 |
| | <u>375,331</u> | <u>661,903</u> |
| Less: allowance for doubtful accounts (includes \$6,641 for loans to band members) | <u>(67,690)</u> | <u>(107,776)</u> |
| | <u>\$ 307,641</u> | <u>\$ 554,127</u> |

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO SUMMARY FINANCIAL STATEMENTS
MARCH 31, 2014

5. AMOUNTS DUE TO/FROM OTHER FUNDS

Amounts due to/from other funds were advanced for working capital purposes and are unsecured, non-interest bearing and due on demand.

6. LONG TERM INVESTMENTS

| | 2014 | 2013 |
|---|-------------|-------------|
| Cariboo Indian Enterprises Ltd. - shares, at cost (inactive) | \$ 1 | \$ 1 |
| Tsilhqot'in Economic Development Corp. - shares, at cost (inactive) | 1 | 1 |
| Tsilhqot'in Forest Products Inc. - shares, at cost (inactive) | 1 | 1 |
| | \$ 3 | \$ 3 |

7. PROPERTY AND EQUIPMENT

| | 2014 | | | 2013 | | |
|---|----------------------|-----------------------------|---------------------|----------------------|-----------------------------|---------------------|
| | Cost | Accumulated Amortization | Net Book Value | Cost | Accumulated Amortization | Net Book Value |
| Office furniture and equipment - Band | \$ 72,677 | \$ 72,677 | \$ - | \$ 72,677 | \$ 72,677 | \$ - |
| Office furniture and equipment - XGE | 46,188 | 41,653 | 4,535 | 46,188 | 29,813 | 16,375 |
| Office furniture and equipment - Health | 65,280 | 65,280 | - | 65,280 | 65,280 | - |
| Buildings | 1,604,304 | 595,263 | 1,009,041 | 1,413,226 | 531,090 | 882,136 |
| Shop - XGE | 182,545 | 35,092 | 147,453 | 182,545 | 27,790 | 154,755 |
| Mobile home | 67,300 | 55,186 | 12,114 | 67,300 | 52,494 | 14,806 |
| Band houses | 814,713 | 502,219 | 312,494 | 814,713 | 469,630 | 345,083 |
| Infrastructure | 4,848,396 | 2,591,269 | 2,257,127 | 4,848,396 | 2,397,334 | 2,451,062 |
| Automotive | 116,887 | 107,086 | 9,801 | 102,887 | 102,887 | - |
| Excavating equipment - XGE | 494,353 | 481,103 | 13,250 | 494,353 | 455,607 | 38,746 |
| Automotive equipment - XGE | 115,644 | 115,644 | - | 115,644 | 111,586 | 4,058 |
| Automotive equipment - Health | 135,243 | 131,846 | 3,397 | 135,243 | 121,652 | 13,591 |
| Social Housing buildings | 2,160,027 | 312,651 | 1,847,376 | 2,160,027 | 255,074 | 1,904,953 |
| Other equipment | 455,587 | 313,369 | 142,218 | 455,587 | 276,116 | 179,471 |
| Elders' Centre - Health | 138,879 | 9,722 | 129,157 | 138,879 | 4,167 | 134,712 |
| Pre-1991 assets | - | - | - | - | - | - |
| | \$ 11,318,023 | \$ 5,430,060 | \$ 5,887,963 | \$ 11,112,945 | \$ 4,973,197 | \$ 6,139,748 |
| Add assets under construction | | | - | | | - |
| Total net property and equipment | | | \$ 5,887,963 | | | \$ 6,139,748 |
| Comprised of: | | | | | | |
| Capital Fund | | | \$ 3,742,795 | | | \$ 3,872,558 |
| Enterprise Fund | | | 165,238 | | | 213,934 |
| Social Housing Fund | | | 1,847,376 | | | 1,904,953 |
| Eniyud Health Services | | | 132,554 | | | 148,303 |
| | | | \$ 5,887,963 | | | \$ 6,139,748 |

As at March 31, 2014 the property and equipment recorded at the nominal value of \$ 1 included land, automotive equipment, community centre and band office building, daycare building, office equipment, pumphouse and shop equipment. Band houses are owned by the Band during the period the related debt remains outstanding. When the debt is repaid the Band intends to transfer the houses to Band members for \$ 1.

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO SUMMARY FINANCIAL STATEMENTS
MARCH 31, 2014

8. OTTAWA TRUST MONIES

The Ottawa Trust Accounts arise from monies derived from capital or revenue sources as outlined in Section 63 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. Interest receivable on account of revenue is accrued.

9. LONG TERM DEBT

| | 2014 | 2013 |
|---|---------------------|---------------------|
| All Nations Trust Company mortgage, repayable in monthly instalments of \$ 3,829 including interest at 1.65% per annum, subject to renewal June 2017. | 718,276 | 752,108 |
| All Nations Trust Company mortgage, repayable in monthly instalments of \$ 2,675 including interest at 1.64% per annum, renewal date February 2017 | 498,199 | 521,942 |
| CMHC RRAP loans, forgivable over next 60 months, interest (when payable) at a range of between 3.875% and 5.875% per annum, unsecured | 23,727 | 44,671 |
| | <u>\$ 1,240,202</u> | <u>\$ 1,318,721</u> |

The principal portion of debt due over the next four years are as follows:

| | Social Housing | CMHC RRAP Loans | Total |
|------|-------------------|-----------------------|------------|
| 2015 | \$ 58,444 | \$ 14,135 | \$ 72,579 |
| 2016 | \$ 59,413 | \$ 8,820 | \$ 68,233 |
| 2017 | \$ 485,193 | \$ 772 | \$ 485,965 |
| 2018 | \$ 613,425 | \$ - | \$ 613,425 |

10. 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 \$14,000 annually. 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. Withdrawals are credited to interest first and then principal.

| | 2014 | 2013 |
|----------------------------|------------------|------------------|
| Balance, beginning of year | \$ 59,390 | \$ 53,936 |
| Allocation as per budget | 14,000 | 14,000 |
| Interest income | - | 172 |
| Purchases during the year | (1,943) | (8,718) |
| Balance, end of year | <u>\$ 71,447</u> | <u>\$ 59,390</u> |

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO SUMMARY FINANCIAL STATEMENTS
MARCH 31, 2014

11. OPERATING RESERVE

Under the terms of agreement with CMHC, after the payment of all costs and expenses including the allocation to 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 cost of the housing projects committed under the 1997 On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund. The First Nation agrees to maintain an Operating Reserve fund insured by the Canada Deposit Insurance Corporation, or as may otherwise be mutually agreed to by the First Nation and CMHC.

| | 2014 | 2013 |
|-------------------------------------|-----------|-----------|
| Balance, beginning of year | \$ 41,788 | \$ 40,685 |
| Adjustment per CMHC | - | 268 |
| Adjusted balance, beginning of year | 41,788 | 40,953 |
| Allocation for the year | 4,156 | 707 |
| Interest earned | - | 128 |
| Balance, end of year | \$ 45,944 | \$ 41,788 |

12. EQUITY

| | 2014 | 2013 |
|---|--------------|--------------|
| OPERATING EQUITY | | |
| Operating Fund | \$ 115,814 | \$ 192,299 |
| Enterprise Fund | 255,891 | 271,924 |
| Eniyud Health services | 289,454 | 98,648 |
| | 661,159 | 562,871 |
| EQUITY IN PROPERTY AND EQUIPMENT AND INVESTMENTS | | |
| Capital Fund | 3,719,068 | 3,827,887 |
| Enterprise Fund | 165,238 | 213,934 |
| Social Housing Fund | 630,902 | 630,902 |
| Eniyud Health Services | 132,554 | 148,303 |
| | 4,647,762 | 4,821,026 |
| EQUITY | \$ 5,308,921 | \$ 5,383,897 |

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO SUMMARY FINANCIAL STATEMENTS
MARCH 31, 2014

13. CONTINGENT LIABILITIES

Related to funding from Indian and Northern Affairs Canada

Under the terms of the contribution agreements with Indian and Northern Affairs Canada and other governmental departments, certain surpluses may be repayable to the government and certain deficits may be reimbursable to the Band.

Litigation

- a) The Band has completed court actions which assert aboriginal rights and title and seek to stop logging in its trap lines. The Supreme Court of Canada has ruled favourably in the Band's behalf. Further outcomes arising from these matters have yet to be determined.
- b) The Band has either been billed or has accumulated legal services in the amount of \$36,389,000 with respect to asserting aboriginal title. The legal advisors have agreed that no amount is payable to them by the band unless funds are obtained from outside sources, including court-award damages or a negotiated settlement with the Province of BC and Canada.
- c) Retainer agreements and sharing agreements also provide for payments to Assembly of First Nations, Douglas Lambert, Western Canada Wilderness Committee and David Suzuki Foundation. However, the amount of such payments cannot be determined at this time. None of these amounts have been recorded in the books of account. However, they will be netted against funds obtained from outside sources, as discussed in b) above.

On-reserve housing

The Band is contingently liable for amounts not exceeding \$ 1,301,769 relating to on-reserve housing.

14. BUDGET INFORMATION

The Budget information disclosed has been approved by Council and is unaudited.

15. HEALTH SERVICES FUNDING

| | Health Canada | FNHA | Total |
|--------------------------------------|-------------------|-------------------|-------------------|
| 1026 - Operations and maintenance | \$ 35,778 | \$ 35,781 | \$ 71,559 |
| 1027 - ?Eniyud Health services | 162,978 | 162,976 | 325,954 |
| 1039 - Aids/HIV | 342 | 337 | 679 |
| 1040 - Water safety | 13,176 | 13,176 | 26,352 |
| 1041 - Aboriginal diabetes program | 15,066 | 15,066 | 30,132 |
| 1046 - Prenatal | 8,106 | 8,104 | 16,210 |
| 1047 - Mental Health | 21,636 | 21,637 | 43,273 |
| 1048 - Solvent abuse | 4,698 | 4,701 | 9,399 |
| 1049 - NNADAP | 19,374 | 19,383 | 38,757 |
| 1052 - NIHB DCB | 2,982 | 2,986 | 5,968 |
| 9010 - Brighter futures | 30,846 | 30,846 | 61,692 |
| 9011 - Patient travel | 40,608 | 40,603 | 81,211 |
| 9012 - Community primary health care | 19,080 | 19,083 | 38,163 |
| 9013 - Home community care nursing | 43,608 | 43,604 | 87,212 |
| 9015 - Home care program | 49,284 | 49,279 | 98,563 |
| | <u>\$ 467,562</u> | <u>\$ 467,562</u> | <u>\$ 935,124</u> |

XENI GWET'IN FIRST NATIONS GOVERNMENT
NOTES TO SUMMARY FINANCIAL STATEMENTS
MARCH 31, 2014

16. EXPENDITURES BY OBJECT

| | 2014 | 2013 |
|-------------------------------------|---------------------|---------------------|
| Administration fees | \$ 18,810 | \$ 44,519 |
| Allowances | 220,003 | 257,914 |
| Bad debts (recovered) | 33,855 | (11,776) |
| Debt repayments | 83,136 | 84,565 |
| Equipment purchases | 19,821 | 34,214 |
| Fuel, propane and oil | 516,665 | 514,688 |
| Honorarium | 16,374 | 68,724 |
| Insurance | 55,346 | 63,048 |
| Material and supplies | 391,417 | 1,008,228 |
| Other | 414,265 | 464,738 |
| Professional fees | 425,034 | 259,194 |
| Repairs and maintenance | 87,626 | 142,214 |
| Service contracts | 1,207,782 | 680,843 |
| Social assistance payments | 393,608 | 354,181 |
| Telephone | 32,709 | 35,938 |
| Travel, training and workshops | 297,537 | 459,313 |
| Wages and benefits | 1,288,547 | 2,120,134 |
| TOTAL EXPENDITURES BY OBJECT | \$ 5,502,535 | \$ 6,580,679 |