

**WILLIAMS LAKE INDIAN BAND**  
**Financial Statements**  
**Year Ended March 31, 2014**

**WILLIAMS LAKE INDIAN BAND**  
**Index to Financial Statements**  
**Year Ended March 31, 2014**

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### **Management's Responsibility for Financial Reporting**

The accompanying financial statements of Williams Lake Indian Band are the responsibility of management and have been approved by Chief and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. 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.

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

The Chief and Council are responsible for ensuring the integrity of the Band's accounting and reporting systems and that appropriate internal controls are in place, including those for monitoring risk, financial reporting and compliance with the laws and that management fulfils its responsibilities for financial reporting. The Chief and Council are ultimately responsible for reviewing and approving the financial statements.

The Chief and Council review Williams Lake Indian Band's financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the independent auditor, 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 independent auditor's report. The Chief and Council also consider the engagement of the independent auditor.

The financial statements have been audited by Fraser Bevez Broughton Chartered Accountants LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Fraser Bevez Broughton Chartered Accountants LLP has full access to the Chief and Council.

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councilor

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**FRASER BEVZ BROUGHTON**  
**Chartered Accountants LLP**

**D. Kane Fraser, CPA, CA\***

*Partner*

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*Partner, Certified Aboriginal Finance Manager*

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*\*Denotes incorporated professional*

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Williams Lake Indian Band:

We have audited the accompanying financial statements of Williams Lake Indian Band, which comprise the statement of financial position as at March 31, 2014, and the statements of changes in net financial assets, operations and cash flows, for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

*(continues)*



**FRASER BEZZ BROUGHTON**  
**Chartered Accountants LLP**

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Williams Lake Indian Band as at March 31, 2014 and the results of its changes in net financial assets, operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The financial statements for the year ended March 31, 2013 were audited by another accounting firm and are presented for comparative purposes only.

Williams Lake, British Columbia  
July 23, 2014

*Fraser Beetz Broughton*  
FRASER BEZZ BROUGHTON  
CHARTERED ACCOUNTANTS LLP

**WILLIAMS LAKE INDIAN BAND**  
**Statement of Financial Position**  
**As at March 31, 2014**

	2014	2013
<b>Financial assets</b>		
Cash (Note 4)	\$ 1,289,821	\$ 700,944
Cash restricted as to use (Note 5)	74,471	73,334
Accounts receivable (Note 6)	955,667	787,301
Trust funds held by Canada (Note 7)	53,469	47,980
Long term investments (Note 8)	3,647,332	3,571,047
	<u>6,020,760</u>	<u>5,180,606</u>
<b>Liabilities</b>		
Bank advances (Note 9)	734,895	452,682
Accounts payable and accrued liabilities (Note 10)	407,258	771,218
Deferred income (Note 11)	1,225,628	3,355
Long term debt (Note 12)	149,659	185,643
	<u>2,517,440</u>	<u>1,412,898</u>
<b>Net financial assets</b>	<u>3,503,320</u>	<u>3,767,708</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 13)	14,046,151	13,373,287
Prepaid expenses	15,184	-
	<u>14,061,335</u>	<u>13,373,287</u>
<b>Band equity</b>	<u>\$ 17,564,655</u>	<u>\$ 17,140,995</u>
<b>Band equity</b>		
Accumulated surplus (Note 14) - page 6	\$ 16,584,765	\$ 16,165,731
Replacement reserve fund (Note 15)	77,960	73,334
	<u>16,662,725</u>	<u>16,239,065</u>
Contributed surplus (Note 16)	901,930	901,930
	<u>\$ 17,564,655</u>	<u>\$ 17,140,995</u>

Contingent liabilities (Note 19)

**Approved on behalf of Williams Lake Indian Band**

  
 Chief

  
 Councilor

The accompanying notes are an integral part of this statement.

**WILLIAMS LAKE INDIAN BAND****Statement of Changes in Net Financial Assets****Year Ended March 31, 2014**

	<b>2014</b>	<b>2013</b>
<b>Net revenue for the year</b>	<b>\$ 419,034</b>	<b>\$ 2,157,934</b>
Allocation from (to) replacement reserve	<b>4,626</b>	<b>(108,486)</b>
Amortization	<b>333,286</b>	<b>300,805</b>
Change in prepaid expenses	<b>(15,184)</b>	<b>-</b>
Tangible capital asset acquisitions	<b>(1,006,150)</b>	<b>(1,757,397)</b>
<b>Increase (decrease) in net financial assets</b>	<b>(264,388)</b>	<b>592,856</b>
<b>Net financial assets - beginning of year</b>	<b>3,767,708</b>	<b>3,174,852</b>
<b>Net financial assets - end of year</b>	<b>\$ 3,503,320</b>	<b>\$ 3,767,708</b>

The accompanying notes are an integral part of this statement.

**WILLIAMS LAKE INDIAN BAND****Statement of Operations****Year Ended March 31, 2014**

	2014 Budget (Unaudited)	2014	2013
<b>Revenues</b> <i>(from Schedule 1)</i>	\$ 3,415,819	\$ 7,209,451	\$ 7,340,079
Deferred revenue from prior year	-	3,355	50,000
Deferred revenue to following year	-	(1,225,628)	(3,355)
	3,415,819	5,987,178	7,386,724
<b>Expenses</b> <i>(from Schedule 2)</i>	3,884,706	5,289,900	5,143,659
<b>Net revenue before the following</b>	(468,887)	697,278	2,243,065
<b>Other income (expenses)</b>			
AANDC recoveries	-	(32,107)	(77,804)
Contributions to Community Diversification Association	-	(88,524)	-
Operating results of Band enterprises	-	(157,613)	(126,450)
Adjustment of Replacement Reserves	-	-	119,123
<b>Net revenue for the year</b>	(468,887)	419,034	2,157,934
<b>Accumulated surplus - beginning of year</b>	-	16,165,731	14,007,797
<b>Accumulated surplus - end of year - page 4</b>	\$ (468,887)	\$ 16,584,765	\$ 16,165,731

The accompanying notes are an integral part of this statement.

**WILLIAMS LAKE INDIAN BAND****Revenues****(Schedule 1)****Year Ended March 31, 2014**

	2014 Budget (Unaudited)	2014	2013
<b>Revenues</b>			
Federal Government			
AANDC Operating	\$ 1,629,870	\$ 2,585,954	\$ 2,625,679
AANDC Capital	-	1,645,416	1,668,260
Northern Shuswap Treaty Society	303,750	303,750	297,750
CCATEC	73,675	120,004	128,528
Health Canada	56,100	28,050	56,100
First Nations Health Authority	-	42,075	-
CMHC	18,931	27,121	23,052
Three Corners Health Services Society	15,000	15,530	15,100
Northern Shuswap Tribal Council	-	7,466	3,105
Specific Claims Tribunal Canada	-	2,720	-
Environment Canada	-	-	3,232
Province of British Columbia	219,240	649,736	437,435
Rentals	241,096	255,516	275,234
Gibraltar Mine	20,000	246,140	-
Mount Polley Mining Corporation	200,000	180,000	229,000
Royalties	175,000	179,174	199,905
Tolko Industries Ltd.	60,000	178,642	360,696
Southview Sorting Ltd.	-	110,000	-
First Resources Power Line Corporation	-	75,000	-
BC Hydro	41,158	50,678	42,711
Spectra Energy	50,000	50,000	50,000
Donations and fundraising	32,500	32,861	28,738
Daycare fees	-	32,814	59,321
FNESC	24,876	30,933	30,383
Knucwentwecw Society	30,000	30,000	30,000
Insurance proceeds	12,000	25,513	-
Work Opportunities Program	12,220	25,170	-
Gold Fields Exploration Corporation	52,500	25,000	29,500
Terra Archaeology Ltd.	-	24,864	-
Heritage Society of British Columbia	-	22,998	-
Borland Creek Logging	23,678	21,958	26,441
Property taxes	20,425	20,425	20,052
New Relationship Trust	2,000	19,672	-
Service contracts	57,500	18,359	60,862
Diocese & Catholic Missions in Canada	-	15,000	-
Interest income	10,000	11,564	-
Northern Development Initiatives Trust	7,500	8,707	38,179
Spanish Mountain Gold Ltd.	-	-	157,000
Project administration and management	-	-	142,816
Pioneer Log Homes of British Columbia	-	-	50,000
Shuswap Nation Tribal Council	-	-	10,000
All other	26,800	90,641	241,000
	<b>\$ 3,415,819</b>	<b>\$ 7,209,451</b>	<b>\$ 7,340,079</b>

The accompanying notes are an integral part of this statement.

**WILLIAMS LAKE INDIAN BAND****Expenses****(Schedule 2)****Year Ended March 31, 2014**

	2014 Budget (Unaudited)	2014	2013
<b>Expenses</b>			
Administration	\$ 976,708	\$ 1,437,120	\$ 1,452,862
Amortization	49,955	333,286	300,805
CMHC housing program	34,915	37,383	32,322
Capital projects	100,000	261,205	32,753
Education	949,664	1,392,734	1,504,385
Natural resources	334,871	441,192	381,066
Public works	444,346	506,621	476,751
Recreation	146,691	133,308	147,050
Social development	560,932	474,614	561,603
Treaty	286,624	272,437	254,062
	<b>\$ 3,884,706</b>	<b>\$ 5,289,900</b>	<b>\$ 5,143,659</b>

The accompanying notes are an integral part of this statement.

**WILLIAMS LAKE INDIAN BAND****Statement of Cash Flows****Year Ended March 31, 2014**

	2014	2013
<b>Cash flows from operating activities</b>		
Net revenue for the year	\$ 419,034	\$ 2,157,934
Items not affecting cash:		
Amortization	333,286	300,805
Operating results of Band enterprises	157,613	126,450
	<u>909,933</u>	<u>2,585,189</u>
Changes in non-cash working capital:		
Replacement reserve	4,626	(108,486)
Cash restricted as to use	(1,137)	87,804
Accounts receivable	(168,366)	6,200
Accounts payable and accrued liabilities	(363,957)	(643,908)
Deferred income	1,222,273	(46,645)
Prepaid expenses	(15,184)	-
	<u>678,255</u>	<u>(705,035)</u>
Cash flow from operating activities	<u>1,588,188</u>	<u>1,880,154</u>
<b>Cash flow from investing activity</b>		
Change in trust funds held by Canada	(5,489)	(5,056)
Repayments by (advances to) related parties	(233,898)	55,113
Cash flow from (used by) investing activity	<u>(239,387)</u>	<u>50,057</u>
<b>Cash flow from capital activities</b>		
Purchase of tangible capital assets	<u>(1,006,150)</u>	<u>(1,757,397)</u>
<b>Cash flow from financing activities</b>		
Change in bank advances	282,213	(335,221)
Proceeds from long term financing	24,341	-
Repayment of long term debt	(60,328)	(55,269)
Cash flow from (used by) financing activities	<u>246,226</u>	<u>(390,490)</u>
<b>Increase (decrease) in cash</b>	<u>588,877</u>	<u>(217,676)</u>
Cash - beginning of year	<u>700,944</u>	<u>918,620</u>
<b>Cash - end of year (Note 4)</b>	<u>\$ 1,289,821</u>	<u>\$ 700,944</u>

The accompanying notes are an integral part of this statement.

# **WILLIAMS LAKE INDIAN BAND**

## **Notes to Financial Statements**

**Year Ended March 31, 2014**

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### **1. Basis of presentation**

In order to satisfy the requirements of the year-end reporting handbook of Aboriginal Affairs and Northern Development Canada (AANDC) these financial statements have been prepared in accordance with Canadian public sector accounting standards, as defined in the CICA Public Sector Accounting Handbook, which encompasses the following:

- a. The focus of PSAB statements is on the financial position of the Band and the changes thereto. The Statement of Financial Position includes all the assets and liabilities of the Band. Financial assets are economic resources controlled by the Band as a result of past transactions from which future economic benefits may be obtained. Liabilities are present obligations of the Band to others arising from past transactions, the settlement of which is expected to result in the future sacrifice of economic benefits.
- b. Williams Lake 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 financial statements. Details of the operation of each fund are set out in the supplementary schedules.

Williams Lake Indian Band maintains the following funds:

- The Operations Fund which reports the general activities of the Band.
  - The Capital Fund which reports the capital projects of the Band together with their related financing, other than those tangible capital assets funded by CMHC.
  - The Investment Fund which reports the Band's investments in related entities.
  - The Trust Fund which reports on the trust funds owned by the Band and held by third parties.
  - The CMHC Social Housing Fund which reports assets, liabilities, revenues, expenses and reserves specifically related to housing funded by CMHC.
  - The Treaty Self-Government Fund which reports on activities related to treaty negotiations.
- c. Reporting entity and principles of financial reporting

The Williams Lake Indian Band reporting entity includes the Band and all related entities which are accountable to the Chief and Council and are either owned or controlled by the Band.

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

- Band government administration (Operating and Capital funds)
- Band Investment Fund
- Band Trust Fund (comprising the Ottawa Trust Funds)
- Band CMHC Social Housing Fund
- Treaty Self-Government Fund

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

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# **WILLIAMS LAKE INDIAN BAND**

## **Notes to Financial Statements**

**Year Ended March 31, 2014**

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### **1. Basis of presentation (*continued*)**

Business entities, which are owned or significantly influenced by the Williams Lake Indian Band and which are not dependent on the Band for their continuing operations, are included in the financial statements using the modified equity method. These include:

- Borland Creek Logging Ltd.
- Sugar Cane Development Corporation
- Sugarcane Petroleum Products Corporation
- Sugar Cane Enterprises Ltd.
- Sugar Cane Wood Products Ltd.
- Sugar Cane TreadPro Limited
- Sugarcane Community Diversification Association

### **2. Summary of significant accounting policies**

#### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

#### Tangible capital assets

Tangible capital assets are non-financial assets having physical substance that:

- Are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- Have useful economic lives extending beyond an accounting period;
- Are to be used on a continuing basis; and
- Are not for sale in the ordinary course of operations.

Tangible capital assets purchased are recorded at cost. Tangible capital assets contributed are recorded at the fair market value as at the date of the contribution.

Tangible capital assets are amortized over their expected useful life using the declining balance method at the following rates:

Automotive equipment	30%
Buildings and infrastructure	4%
Computer and office equipment	20% - 30%

Assets under construction are not amortized as they are not available for use.

Housing tangible capital assets acquired under Canada Mortgage and Housing Corporation sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in the related long term debt, as required for Canada Mortgage and Housing Corporation reporting purposes.

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# **WILLIAMS LAKE INDIAN BAND**

## **Notes to Financial Statements**

**Year Ended March 31, 2014**

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### **2. Summary of significant accounting policies (*continued*)**

#### Investments

Investments in the Band's wholly-owned enterprises are accounted for using the modified equity method. Under this method, the investments are initially recorded at cost and then increased or decreased to recognize subsequent earnings or losses. Investments are also increased or decreased to reflect advances to or repayments from the enterprises.

#### Surplus recoveries and deficit funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

#### Trust funds held by Canada (Ottawa Trust Fund)

Ottawa Trust Fund operating account revenues are recorded on an accrual basis, and include interest earned on the Ottawa Trust account.

Ottawa Trust Fund capital account revenues are recorded when the Band is notified of their deposit by Aboriginal Affairs and Northern Development Canada.

#### Revenue recognition

Revenue is recognized as it becomes receivable and collection is reasonably assured under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

Expenses are accounted for in the period the goods and services are acquired and a liability is incurred, or transfers are due.

Rental revenue is recognized when a tenant commences occupancy and rent is due. Williams Lake Indian Band retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

#### 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the impairment of assets, and rates for depreciation and amortization. Actual results could differ from those estimates.

### **3. Economic dependence**

The Williams Lake Indian Band receives a significant portion of its revenues pursuant to funding arrangements with Aboriginal Affairs and Northern Development Canada. The Band's ability to continue operations would be severely hampered should this funding be discontinued.

**WILLIAMS LAKE INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

**4. Cash**

Cash includes the following unrestricted operating accounts:

	<u>2014</u>	<u>2013</u>
Operations	<b>\$ 1,289,821</b>	<b>\$ 700,944</b>

**5. Cash restricted as to use**

	<u>2014</u>	<u>2013</u>
Replacement reserve	<b>\$ 74,471</b>	<b>\$ 73,334</b>

Under the terms of the Band's Social Housing Agreement with Canada Mortgage and Housing Corporation, a separate replacement reserve account is maintained. The funds in this account may only be used for repairs and maintenance as approved by Canada Mortgage and Housing Corporation.

**6. Accounts receivable**

	<u>2014</u>	<u>2013</u>
Due from members:		
Rent	<b>\$ 237,547</b>	\$ 256,950
Less: Allowance for doubtful accounts	<b>(64,981)</b>	(64,981)
	<b>172,566</b>	191,969
Due from others:		
AANDC	<b>365,226</b>	256,347
First Resources Power Line	<b>50,000</b>	-
Three Corners Health Services Society	<b>7,865</b>	-
CCATEC	<b>22,188</b>	-
RCMP	-	8,187
GST/HST recoverable	<b>30,170</b>	40,901
Northern Shuswap Tribal Council	<b>2,046</b>	2,055
Northern Shuswap Treaty Society	<b>68,751</b>	2,046
All others	<b>236,855</b>	285,796
	<b>\$ 955,667</b>	<b>\$ 787,301</b>

**7. Trust funds held by Canada**

	<u>2014</u>	<u>2013</u>
Ottawa Trust Accounts	<b>\$ 53,469</b>	<b>\$ 47,980</b>

The Ottawa Trust Accounts arise from monies 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 governed primarily by Sections 63 and 69 of the *Indian Act*.

Funds on deposit in the Ottawa Trust Accounts may be withdrawn by Band Council Resolution.

**WILLIAMS LAKE INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

**8. Investments**

	<u>2014</u>	<u>2013</u>
Borland Creek Logging Ltd.		
Equity	\$ 936,197	\$ 1,061,209
Common shares	3	3
	<u>936,200</u>	<u>1,061,212</u>
Sugar Cane Development Corporation Ltd.		
Advances - Golf Course construction project	993,875	993,875
Advances	232,469	232,469
Deficiency	(57,662)	(233,953)
Common shares	1	1
	<u>1,168,683</u>	<u>992,392</u>
Sugarcane Petroleum Products Corporation		
Advances	231,742	231,742
Equity	999,856	970,679
Common shares	3	3
	<u>1,231,601</u>	<u>1,202,424</u>
Sugar Cane Enterprises Ltd.		
Advances	1,058,056	854,158
Deficiency	(237,475)	(92,347)
Common shares	2	2
	<u>820,583</u>	<u>761,813</u>
Sugar Cane Wood Products Ltd.		
Deficiency	(13,392)	(8,354)
Common shares	3	3
	<u>(13,389)</u>	<u>(8,351)</u>
Sugar Cane TreadPro Limited		
Advances	375,818	345,818
Deficiency	(890,408)	(784,265)
Common shares	3	3
	<u>(514,587)</u>	<u>(438,443)</u>
Sugarcane Community Diversification Association		
Equity	<u>18,241</u>	<u>-</u>
	<u>\$ 3,647,332</u>	<u>\$ 3,571,047</u>

There are no specific terms of repayment on the unsecured, non-interest bearing advances receivable.

The investments are accounted for by the modified equity method. Under this method, the cost of the investment is adjusted for earnings from the date of acquisition.

The following summarizes condensed financial information from the unaudited financial statements of the companies.

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**WILLIAMS LAKE INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

**8. Investments (continued)**

	<u>2014</u>	<u>2013</u>
Borland Creek Logging Ltd.		
Balance Sheet		
Current assets	\$ 612,379	\$ 778,603
Restricted cash	97,134	96,219
Property and equipment	<u>1,235,525</u>	<u>1,207,950</u>
	<u>\$ 1,945,038</u>	<u>\$ 2,082,772</u>
Current liabilities	\$ 487,813	\$ 393,963
Long term debt	334,766	382,404
Silviculture liability	37,243	96,174
Shareholder's equity	<u>1,085,216</u>	<u>1,210,231</u>
	<u>\$ 1,945,038</u>	<u>\$ 2,082,772</u>
Statement of Operations		
Revenue	\$ 3,236,436	\$ 3,011,359
Operating and administrative expenses	<u>3,361,451</u>	<u>2,858,512</u>
Net income (loss) for the year	(125,015)	152,847
Shareholder's equity - beginning of year	<u>1,210,231</u>	<u>1,057,384</u>
Shareholder's equity - end of year	<u>\$ 1,085,216</u>	<u>\$ 1,210,231</u>
Sugar Cane Development Corporation Ltd.		
Balance Sheet		
Current assets	\$ 787,512	\$ 1,001,114
Property and equipment	<u>370,955</u>	<u>382,860</u>
	<u>\$ 1,158,467</u>	<u>\$ 1,383,974</u>
Current liabilities	\$ 219,658	\$ 624,049
Due to Williams Lake Indian Band	996,470	993,875
Shareholder's deficiency	<u>(57,661)</u>	<u>(233,950)</u>
	<u>\$ 1,158,467</u>	<u>\$ 1,383,974</u>

(continues)

**WILLIAMS LAKE INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

**8. Investments (continued)**

	<u>2014</u>	<u>2013</u>
Sugar Cane Development Corporation Ltd. (continued)		
Statement of Operations		
Revenue	\$ 458,312	\$ 62,670
Operating and administrative expenses	<u>282,023</u>	<u>48,145</u>
	176,289	14,525
Net income for the year	176,289	14,525
Deficiency - beginning of year	<u>(233,950)</u>	<u>(248,475)</u>
Deficiency - end of year	<u>\$ (57,661)</u>	<u>\$ (233,950)</u>
Sugarcane Petroleum Products Corporation		
Balance Sheet		
Current assets	\$ 686,099	\$ 612,132
Due from related parties	729,431	699,506
Property and equipment	<u>394,257</u>	<u>257,562</u>
	<u>\$ 1,809,787</u>	<u>\$ 1,569,200</u>
Current liabilities	\$ 578,186	\$ 366,776
Due to Williams Lake Indian Band	<u>231,742</u>	<u>231,742</u>
Shareholder's equity	<u>999,859</u>	<u>970,682</u>
	<u>\$ 1,809,787</u>	<u>\$ 1,569,200</u>
Statement of Operations		
Revenue	\$ 3,048,778	\$ 2,669,271
Cost of sales	2,767,283	2,331,501
Operating and administrative expenses	<u>166,744</u>	<u>205,392</u>
	114,751	132,378
Other expenses	<u>85,574</u>	<u>105,905</u>
Net income for the year	29,177	26,473
Shareholder's equity - beginning of year	<u>970,682</u>	<u>944,209</u>
Shareholder's equity - end of year	<u>\$ 999,859</u>	<u>\$ 970,682</u>

(continues)

**WILLIAMS LAKE INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

**8. Investments (continued)**

	<u>2014</u>	<u>2013</u>
Sugar Cane Enterprises Ltd		
Balance Sheet		
Current assets	\$ 20,974	\$ 24,454
Property and equipment	<u>3,096,408</u>	<u>3,094,170</u>
	<u>\$ 3,117,382</u>	<u>\$ 3,118,624</u>
Current liabilities	\$ 892,814	\$ 923,826
Long term debt	1,308,080	1,337,082
Due to Williams Lake Indian Band	<u>1,058,056</u>	<u>854,158</u>
Shareholder's equity (deficiency)	<u>(141,568)</u>	<u>3,558</u>
	<u>\$ 3,117,382</u>	<u>\$ 3,118,624</u>
Statement of Operations		
Revenue	\$ 222,845	\$ 153,156
Operating and administrative expenses	<u>367,971</u>	<u>394,594</u>
	<u>(145,126)</u>	<u>(241,438)</u>
Other income	<u>-</u>	<u>139,933</u>
Net loss for the year	<u>(145,126)</u>	<u>(105,505)</u>
Shareholder's equity - beginning of year	<u>3,558</u>	<u>105,063</u>
Shareholder's equity (deficiency) - end of year	<u>\$ (141,568)</u>	<u>\$ 3,558</u>
Sugar Cane Wood Products Ltd.		
Balance Sheet		
Current assets	<u>\$ -</u>	<u>\$ 59</u>
Current liabilities	\$ 13,389	\$ 8,410
Shareholder's deficiency	<u>(13,389)</u>	<u>(8,351)</u>
	<u>\$ -</u>	<u>\$ 59</u>

(continues)

**WILLIAMS LAKE INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

**8. Investments (continued)**

	<u>2014</u>	<u>2013</u>
Sugar Cane Wood Products Ltd. (continued)		
Statement of Operations		
Revenue	\$ -	\$ -
Operating and administrative expenses	<u>5,038</u>	<u>4,613</u>
Net loss for the year	(5,038)	(4,613)
Deficiency - beginning of year	<u>(8,351)</u>	<u>(3,738)</u>
Deficiency - end of year	<u>\$ (13,389)</u>	<u>\$ (8,351)</u>
Sugar Cane TreadPro Ltd.		
Balance Sheet		
Current assets	\$ 154,272	\$ 138,859
Property and equipment	<u>874,534</u>	<u>916,174</u>
	<u>\$ 1,028,806</u>	<u>\$ 1,055,033</u>
Current liabilities	\$ 846,460	\$ 832,027
Due to Williams Lake Indian Band	375,818	345,818
Due to Sugarcane Petroleum Products Corporation	696,933	661,449
Shareholder's deficiency	<u>(890,405)</u>	<u>(784,261)</u>
	<u>\$ 1,028,806</u>	<u>\$ 1,055,033</u>
Statement of Operations		
Revenue	\$ 760,108	\$ 526,807
Cost of sales	657,095	525,745
Operating and administrative expenses	<u>209,157</u>	<u>215,231</u>
Net loss for the year	(106,144)	(214,169)
Deficiency - beginning of year	<u>(784,261)</u>	<u>(570,092)</u>
Deficiency - end of year	<u>\$ (890,405)</u>	<u>\$ (784,261)</u>

(continues)

**WILLIAMS LAKE INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

**8. Investments (continued)**

	<u>2014</u>	<u>2013</u>
Sugarcane Community Diversification Association		
Balance Sheet		
Current assets	\$ 27,699	\$ -
Current liabilities	\$ 9,458	\$ -
Shareholder's equity	18,241	-
	<u>\$ 27,699</u>	<u>\$ -</u>
Statement of Operations		
Revenue	\$ 98,504	\$ -
Operating and administrative expenses	80,263	-
	<u>18,241</u>	<u>-</u>
Net income for the year	18,241	-
Equity - beginning of year	-	-
Equity - end of year	<u>\$ 18,241</u>	<u>\$ -</u>

**9. Bank advances**

	<u>2014</u>	<u>2013</u>
Bank of Montreal revolving credit lines and outstanding cheques.	\$ 374,322	\$ 193,677
Bank of Montreal demand loan bearing interest at prime plus .5% per annum, repayable in monthly blended payments of \$5,458. The loan matures on May 25, 2017.	196,011	259,005
Bank of Montreal demand loan bearing interest at prime plus .5% per annum, repayable in monthly blended payments of \$5,567. The loan matures on May 11, 2016.	164,562	-
	<u>\$ 734,895</u>	<u>\$ 452,682</u>

Provided the bank does not demand repayment of the demand loans in full, principal repayments due in each of the next four years are scheduled as follows:

2015	\$ 121,383
2016	125,934
2017	102,413
2018	10,843
	<u>\$ 360,573</u>

(continues)

**WILLIAMS LAKE INDIAN BAND****Notes to Financial Statements****Year Ended March 31, 2014****9. Bank advances (continued)**

The Bank of Montreal's revolving credit lines are secured by a general security agreement and bear interest at the bank's prime rate plus .50%. The maximum amount to be advanced under the credit accommodations is \$350,000. The Bank's demand loan is secured by a general security agreement.

The bank's prime lending rate as at March 31, 2014 was 3.0%.

**10. Accounts payable and accrued liabilities**

	<u>2014</u>	<u>2013</u>
Trade accounts - construction in progress	\$ 45,000	\$ 334,581
Trade accounts - regular operating	171,546	365,770
Accrued payroll and source deductions	58,815	49,632
AANDC surplus recoveries	73,988	-
Other accrued liabilities	57,909	21,235
	<u>\$ 407,258</u>	<u>\$ 771,218</u>

**11. Deferred revenue**

The Band has recorded the following externally restricted surpluses as deferred revenue to be used in the completion of ongoing capital projects:

	<u>2014</u>	<u>2013</u>
Aboriginal Affairs and Northern Development Canada		
Highway 97 Corridor Infrastructure Fund	\$ 1,204,187	\$ -
Special Services - ACRS Group 2 Fund	21,438	-
Sewer Lagoon Upgrade Fund - CPMS #10966	3	-
Housing Renovations Fund - CPMS #10824	-	3,355
	<u>\$ 1,225,628</u>	<u>\$ 3,355</u>

**WILLIAMS LAKE INDIAN BAND****Notes to Financial Statements****Year Ended March 31, 2014****12. Long term debt**

	<u>2014</u>	<u>2013</u>
All Nations Trust Company - Phase III loan bearing interest at 1.39% per annum, repayable in monthly blended payments of \$1,822. The finance contract matures on January 1, 2015.	<b>\$ 18,104</b>	\$ 39,469
All Nations Trust Company - Phase V loan bearing interest at 1.65% per annum, repayable in monthly blended payments of \$2,536. The loan matures on June 1, 2017.	<b>96,227</b>	124,816
Ford Credit Canada Limited retail installment contract bearing interest at 6.39% per annum, repayable in monthly blended payments of \$651. The loan matures on April 1, 2017.	<b>15,218</b>	21,358
Xerox Canada finance contract bearing interest at 8.837% per annum, repayable in quarterly blended payments of \$1,798. The finance contract matures on May 26, 2017.	<b>20,110</b>	-
	<b><u>\$ 149,659</u></b>	<b><u>\$ 185,643</u></b>

Principal repayments required are approximately as follows:

2015	\$ 59,681
2016	43,026
2017	37,213
2018	9,739
	<b><u>149,659</u></b>

The Phase III and Phase V loans are secured by the ministerial guarantee of the Minister of Finance - Canada.

The Ford Credit Canada Limited contract is secured by a charge on the Band's 2011 Ford F250 truck, with a carrying value of \$11,329.

**WILLIAMS LAKE INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

**13. Tangible capital assets**

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Automotive equipment	\$ 903,635	\$ 832,880	\$ 70,755	\$ 28,106
Buildings and infrastructure	15,357,390	2,615,827	12,741,563	12,150,378
Computer and office equipment	1,049,952	832,380	217,572	128,588
CMHC Social Housing	2,934,712	1,918,451	1,016,261	1,066,215
	<b>\$ 20,245,689</b>	<b>\$ 6,199,538</b>	<b>\$ 14,046,151</b>	<b>\$ 13,373,287</b>

During the year, the following transactions occurred in the Band's tangible capital asset accounts:

Tangible capital asset acquisitions:

Water utility project	\$ 380,430
Highway 97 corridor	264,056
Church renovations	130,287
2014 Ford E450 community bus	72,975
Deposit on fire truck	72,343
Computer and office equipment	54,739
Elders' centre	24,947
New Band building	6,373
	<b>\$ 1,006,150</b>

	Balance April 1, 2013	2014 Provision	Balance March 31, 2014
Accumulated amortization:			
Automotive equipment	\$ 802,556	\$ 30,324	\$ 832,880
Buildings and infrastructure	2,400,918	214,910	2,615,828
Computers and office equipment	794,282	38,097	832,379
CMHC Social Housing	1,868,496	49,955	1,918,451
	<b>\$ 5,866,252</b>	<b>\$ 333,286</b>	<b>\$ 6,199,538</b>

There were no asset disposals during the year (2013 - \$nil). There were no asset write-downs during the year (2013 - \$nil).

**14. Band equity - accumulated surplus**

The accumulated surplus consists of the following fund balances:

	2014	2013
Operating and Capital Projects Fund	\$ 15,866,023	\$ 15,282,705
CMHC Social Housing Fund	(109,135)	(96,337)
Ottawa Trust Fund	53,469	47,980
Investment in Band Business Enterprises	755,354	912,967
Treaty Self Government Program	19,054	18,416
	<b>\$ 16,584,765</b>	<b>\$ 16,165,731</b>

**WILLIAMS LAKE INDIAN BAND****Notes to Financial Statements****Year Ended March 31, 2014****15. Replacement reserve**

The replacement reserve represents funds set aside by the Band to fund future anticipated costs. The reserve fund balance consists of the following amounts:

	<u>2014</u>	<u>2013</u>
CMHC replacement reserve - beginning of year	\$ 73,334	\$ 181,821
Replacement reserve - adjustment	<u>-</u>	<u>925</u>
CMHC replacement reserve - beginning of year, as restated	73,334	182,746
Interest earned	-	739
Contributions required	11,139	11,139
Expenditures for replacements	(6,513)	(2,167)
Transfer to CMHC Operating Fund	<u>-</u>	<u>(119,123)</u>
CMHC replacement reserve - end of year	<u>\$ 77,960</u>	<u>\$ 73,334</u>

Under the terms of the mortgage agreements with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$11,139 annually. These funds, along with accumulating interest are to be held in a separate bank account. The funds in this account may only be used as approved by Canada Mortgage and Housing Corporation.

As at the year-end, the reserve is unfunded by the amount of \$3,489 (2013 - \$nil).

**16. Contributed surplus**

Contributed surplus consists of the following:

	<u>2014</u>	<u>2013</u>
Band construction contribution	\$ 522,430	\$ 522,430
Land	<u>379,500</u>	<u>379,500</u>
	<u>\$ 901,930</u>	<u>\$ 901,930</u>

**17. Financial instruments and risk management**

The Band's financial instruments consist of cash, cash restricted as to use, accounts receivable, trust funds held by Canada, bank advances, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the Band is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Band is exposed to financial risk that arises from the credit quality of the entities to which it provides services. Credit risk arises from the possibility that the entities to which the Band provides services may experience financial difficulty and be unable to fulfill their obligations.

The Band is exposed to interest rate risk arising from fluctuations in interest rates on its cash and investments and does not hold any financial instruments that mitigate this risk.

## **WILLIAMS LAKE INDIAN BAND**

### **Notes to Financial Statements**

**Year Ended March 31, 2014**

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#### **18. Federal assistance payments**

Williams Lake Indian Band Social Housing Fund has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56-1 of the National Housing Act to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received for the year ended March 31, 2014 was \$18,931 (2013 - \$19,302). This assistance will continue, providing the Band is not in default of the agreement.

#### **19. Contingent liabilities**

##### Guarantee of debts owing by related parties

The Band has guaranteed a \$50,000 line of credit for Borland Creek Logging Ltd. As at March 31, 2014, Borland Creek Logging Ltd. had no outstanding indebtedness on the line of credit. The Band has guaranteed conditional financing agreements for log harvest equipment operated by Borland Creek Logging Ltd. As at March 31, 2014, the balances of the conditional financing agreements aggregated \$683,327.

The Band has guaranteed bank indebtedness and callable loans of Sugar Cane TreadPro Limited. The guarantee is for \$790,000. As at March 31, 2014, the balances outstanding on these accounts were \$764,715.

The Band has guaranteed a bank line of credit of \$50,000 and callable loan of \$184,163 for Sugar Cane Enterprises Ltd. As at March 31, 2014, the balances outstanding were \$231,926.

The Band has guaranteed a bank line of credit of \$350,000 and a demand loan of \$145,939 for Sugarcane Petroleum Products Corporation. As at March 31, 2014, the balances outstanding were \$326,876.

##### Band member loans

The Band has guaranteed loans made in previous years by various financial institutions under the CMHC Housing Program and to Band members. The original balances on these loans were \$1,510,501. As at March 31, 2014, the balances outstanding were:

CMHC Housing Program	\$ 114,331
Guaranteed on behalf of Band members	\$ 852,235

#### **20. Reconciliation of AANDC Comprehensive Funding Arrangement Revenue**

Pursuant to the requirements prescribed by the Aboriginal Affairs and Northern Developments Canada Year-End Reporting Handbook for First Nations, Tribal Councils and First Nation Political Organizations, the following reconciliation has been prepared:

Revenue total as per 2014 funding confirmation	<b><u>\$ 4,231,370</u></b>
AANDC Revenue as per Statement of Operations	
Operating	\$ 2,585,954
Capital	<u>1,645,416</u>
	<b><u>\$ 4,231,370</u></b>

# **WILLIAMS LAKE INDIAN BAND**

## **Notes to Financial Statements**

**Year Ended March 31, 2014**

### **21. Band registered pension plan**

The Band provides a defined contribution pension plan to qualifying employees. Under the plan, the defined members' contributions, the Band contributions, and the related plan earnings comprise the members' money purchase amount. The plan is registered with the Canada Revenue Agency.

The Band contributed \$53,224 to the plan during the year ended March 31, 2014, to match its employees' required contributions.

### **22. Related party transactions**

These financial statements include the following transactions with related parties. These transactions are at market value.

	<u>2014</u>	<u>2013</u>
Supplies and services provided by:		
Sugarcane Petroleum Products Corporation	\$ 8,303	\$ 8,962
Sugar Cane Development Corporation	216	5,000
Borland Creek Logging Ltd.	<u>70,821</u>	<u>8,717</u>
	<u>\$ 79,340</u>	<u>\$ 22,679</u>
Supplies and services provided to:		
Borland Creek Logging Ltd.	\$ 38,938	\$ 13,560
Sugarcane Petroleum Products Corporation	9,216	-
Sugar Cane Development Corporation	-	90
Sugar Cane TreadPro Ltd.	<u>-</u>	<u>6,036</u>
	<u>\$ 48,154</u>	<u>\$ 19,686</u>
Royalties received from:		
Sugarcane Petroleum Products Corporation	\$ 104,174	\$ 124,905
Borland Creek Logging Ltd	<u>75,000</u>	<u>75,000</u>
	<u>\$ 179,174</u>	<u>\$ 199,905</u>

### **23. Contingent asset**

On June 8, 2006, the Indian Claims Commission issued a decision in favour of the Williams Lake Indian Band regarding the Band's claim to two village sites which had been illegally pre-empted in the 1860s. Both of these village sites are now located in the City of Williams Lake. The Commission found that both the Colony of British Columbia (now the Province of British Columbia) and Canada had a fiduciary obligation to the Williams Lake Indian Band that was breached by both governments.

On June 4 through 7, 2013, the parties met to complete negotiations with respect to this matter. The presiding judge now has rendered a decision in favour of the Band. Canada has requested a judicial review of the case. Finalization of the review has not been completed.

The monetary effect of the decision has not yet been determined. The settlement will be recorded in the accounts of the Band upon completion of the judicial review.

**WILLIAMS LAKE INDIAN BAND**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

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**24. Expenses by object**

	<u>2014</u>	<u>2013</u>
Salaries, wages and benefits	\$ 1,687,574	\$ 1,491,822
Materials and supplies	151,241	284,119
Contracted services	1,032,779	964,772
Rent, maintenance and utilities	359,769	298,064
Honoraria	86,493	107,903
Insurance	80,838	91,834
Education	945,390	879,546
Bank charges and interest	35,998	42,997
Amortization	333,286	300,805
Travel	212,019	170,718
Social assistance	295,545	435,700
All other service delivery costs	68,968	75,379
	<u>\$ 5,289,900</u>	<u>\$ 5,143,659</u>

**25. Comparative figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.