

July 28, 2014

VIA COURIER

Aboriginal Affairs and Northern Development Canada  
British Columbia Region  
600 – 1138 Melville St.  
Vancouver, BC V6E 4S3

**Attention:** Elizabeth Troelstra

Dear Ms. Troelstra:

**Re: Gwa'Sala-'Nakwaxda'xw Nation**

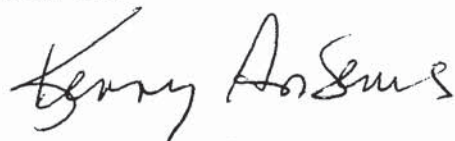
Please find enclosed the following:

- Audited financial statements for the year ended March 31, 2014;
- Unaudited Schedules of Revenue and Expenses for the year ended March 31, 2014;  
and
- Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration.

If you have any questions, please do not hesitate to contact our office.

Yours very truly,

MNP LLP



Kenny Ansems, CA, CAFM  
Provincial Director, Aboriginal Services, BC and Yukon

/mz  
Encls.

2014 JUL 29 PM 12:53

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Consolidated Financial Statements**  
*March 31, 2014*

# Gwa'Sala-'Nakwaxda'xw Nation

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For the year ended March 31, 2014

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## Management's Responsibility

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To the Members of Gwa'Sala-'Nakwaxda'xw Nation

The accompanying consolidated financial statements of Gwa'Sala-'Nakwaxda'xw Nation are the responsibility of management and have been approved by the Chief and Council.

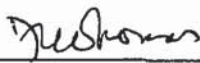
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Gwa'Sala-'Nakwaxda'xw Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Council and management to discuss their audit findings.

July 22, 2014

 for

Finance Manager



## Independent Auditors' Report

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To the Members of Gwa'Sala-'Nakwaxda'xw Nation:

We have audited the accompanying consolidated financial statements of Gwa'Sala-'Nakwaxda'xw Nation, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and accumulated surplus, 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 Consolidated 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 misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated 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 consolidated 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 qualified audit opinion.

### *Basis for Qualified Opinion*

We were unable to observe sufficient evidence of the review and approval of Gwa'Sala-'Nakwaxda'xw Nation's budget. Therefore, we were unable to determine whether adjustments to budgeted operations or budgeted changes in net debt might be necessary to present these figures as originally planned in the consolidated financial statements.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly in all material respects the financial position of Gwa'Sala-'Nakwaxda'xw Nation as at March 31, 2014 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Nanaimo, British Columbia

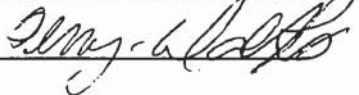
July 22, 2014

**MNP LLP**  
Chartered Accountants

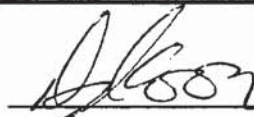
**Gwa'Sala-'Nakwaxda'xw Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2014*

	2014	2013 (Restated - Note 14)
<b>Financial assets</b>		
Cash resources	1,451,791	1,701,907
Short-term investments (Note 3)	100,000	98,000
Accounts receivable (Note 4)	1,213,781	970,966
Inventory for resale	157,654	-
Long-term portfolio investments (Note 5)	23,490,831	23,565,390
Funds held in Ottawa trust (Note 6)	185,382	178,076
Investment in Treaty (Note 9)	6,977,538	6,265,649
Restricted cash (Note 7)	196,839	119,818
<b>Total financial assets</b>	<b>33,773,816</b>	<b>32,899,806</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 8)	877,578	431,625
Deferred revenue	8,006	34,532
First Nation loan agreement (Note 9)	5,802,074	5,235,354
Long-term debt (Note 10)	1,728,965	1,837,451
<b>Total liabilities</b>	<b>8,416,623</b>	<b>7,538,962</b>
<b>Net financial assets</b>	<b>25,357,193</b>	<b>25,360,844</b>
<b>Contingencies (Note 11)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	8,244,139	7,455,836
Prepaid expenses	59,014	184,072
<b>Total non-financial assets</b>	<b>8,303,153</b>	<b>7,639,908</b>
<b>Accumulated surplus (Note 12)</b>	<b>33,660,346</b>	<b>33,000,752</b>

Approved on behalf of the Chief and Council



Chief



Councillor

The accompanying notes are an integral part of these financial statements

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2014*

	<i>Schedules</i>	<i>2014 Budget (Unaudited)</i>	<i>2014</i>	<i>2013 (Restated - Note 14)</i>
<b>Revenue</b>				
Aboriginal Affairs and Northern Development Canada (Note 19)		4,072,522	4,649,568	3,339,337
Health Canada		-	994,341	903,340
Other revenue		-	461,452	824,661
Fisheries and Oceans Canada		-	371,478	96,467
First Nations Education Steering Committee		-	147,628	210,624
Canada Mortgage and Housing Corporation		-	96,372	112,235
Investment income		-	1,128,452	748,026
Province of BC		-	912,529	924,877
Marine services and fisheries		-	326,241	345,975
School District 85		-	228,642	214,164
Coast Opportunity Fund		-	225,000	417,710
Forest and Range Agreement		-	222,951	230,779
Rental income		-	221,673	186,331
British Columbia Treaty Commission		-	141,680	177,680
		4,072,522	10,128,007	8,732,206
<b>Expenses</b>				
Administration	3	528,280	1,209,859	814,595
Income Assistance	5	931,803	914,105	876,261
Education	6	403,508	658,991	613,692
Gwa'Sala-'Nakwaxda'xw School	7	1,680,331	2,111,484	2,096,856
Economic Development	8	163,058	564,789	312,680
Community Infrastructure	9	148,839	287,541	181,586
Natural Resources	10	-	566,003	464,186
Capital Projects	11	1,275,973	399,195	335,963
Community	12	101,704	786,202	476,869
Health	13	-	969,285	1,070,206
CMHC Social Housing	14	-	259,506	463,334
Trust	15	-	741,453	762,052
		5,233,496	9,468,413	8,468,280
<b>Surplus (deficit)</b>		<b>(1,160,974)</b>	<b>659,594</b>	<b>263,926</b>
<b>Accumulated surplus, beginning of year, as restated (Note 14)</b>		<b>33,000,752</b>	<b>33,000,752</b>	<b>32,736,826</b>
<b>Accumulated surplus, end of year</b>		<b>31,839,778</b>	<b>33,660,346</b>	<b>33,000,752</b>

The accompanying notes are an integral part of these financial statements



**Gwa'Sala-'Nakwaxda'xw Nation**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2014*

	<b>2014</b> <i>Budget</i> <i>(Unaudited)</i>	<b>2014</b>	<b>2013</b> <i>(Restated -</i> <i>Note 14)</i>
<b>Annual surplus (deficit)</b>	<b>(1,160,974)</b>	<b>659,594</b>	<b>263,926</b>
Purchases of tangible capital assets	-	<b>(1,247,720)</b>	<b>(145,215)</b>
Amortization of tangible capital assets	-	<b>459,416</b>	<b>442,083</b>
Proceeds on disposal of tangible capital assets	-	-	<b>4,410</b>
Acquisition of prepaid expenses	-	-	<b>(102,312)</b>
Use of prepaid expenses	-	<b>125,059</b>	-
<b>Increase (decrease) in net financial assets</b>	<b>(1,160,974)</b>	<b>(3,651)</b>	<b>462,892</b>
<b>Net financial assets, beginning of year, as restated</b>	<b>25,360,844</b>	<b>25,360,844</b>	<b>24,897,952</b>
<b>Net financial assets, end of year</b>	<b>24,199,870</b>	<b>25,357,193</b>	<b>25,360,844</b>

*The accompanying notes are an integral part of these financial statements*



**Gwa'Sala-'Nakwaxda'xw Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2014*

	2014	2013 (Restated - Note 14)
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus	659,594	263,926
Non-cash items		
Amortization	459,416	442,083
	1,119,010	706,009
Changes in working capital accounts		
Accounts receivable	(242,815)	(423,365)
Prepaid expenses	125,059	(102,312)
Accounts payable and accruals	445,953	145,138
Deferred revenue	(26,526)	(25,796)
Inventory for resale	(157,654)	-
	1,263,027	299,674
<b>Financing activities</b>		
Advances of First Nation loan agreement	576,003	682,331
Repayment of long-term debt	(117,769)	(115,797)
	458,234	566,534
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,247,720)	(145,215)
Proceeds on disposal of tangible capital assets	-	4,410
	(1,247,720)	(140,805)
<b>Investing activities</b>		
Purchase of temporary investments	(2,000)	(98,000)
Funds held in Ottawa trust	(7,306)	(7,461)
Restricted cash	(77,021)	(24,435)
Investment in Treaty	(711,889)	(603,457)
(Purchase) sale of long-term portfolio investments	74,559	(23,565,390)
	(723,657)	(24,298,743)
<b>Decrease in cash resources</b>	(250,116)	(23,573,340)
<b>Cash resources, beginning of year</b>	1,701,907	25,275,247
<b>Cash resources, end of year</b>	1,451,791	1,701,907

The accompanying notes are an integral part of these financial statements

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**1. Operations**

The Gwa'Sala-'Nakwaxda'xw Nation (the "Nation") is located in the province of British Columbia, and provides various services to its members. Gwa'Sala-'Nakwaxda'xw Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

**2. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation's business entities. Trusts administered on behalf of third parties by Gwa'Sala-'Nakwaxda'xw Nation are excluded from the Nation reporting entity.

The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Gwa'Sala-'Nakwaxda'xw School
- CMHC Housing
- Gwa'Sala-'Nakwaxda'xw Treaty
- Gwa'Sala-'Nakwaxda'xw Band Trust
- Gwa'Nak Resources Ltd.

All inter-entity balances have been eliminated on consolidation.

***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***Short-term investments***

Short-term investments includes balances in guaranteed investment certificates with maturities over three months, but under one year. Short-term investments are recorded at cost, less any provision for other than temporary impairment.

***Long-term portfolio investments***

Long-term portfolio investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment. The intent of these investments is to be held in order to generate income for the purpose of funding the Trust's administrative expenditures and distributing funds to the Nation's members.

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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2. **Significant accounting policies** *(Continued from previous page)*

**Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2014, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

**Tangible capital assets**

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution.

All intangibles, and items inherited by right of the Nation, such as reserve lands, forests, water and mineral resources, are not recognized in the Nation's financial statements.

**Amortization**

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. Land and work-in-progress are not amortized. In the year of acquisition amortization is taken at one-half the rates.

	Method	Rate
Buildings	straight-line	40 years
Paving	straight-line	25 years
Bridges	straight-line	40 years
Computer and IT hardware	straight-line	4 years
Computer software	straight-line	10 years
Furniture and fixtures	straight-line	10 years
Boats	straight-line	10 years
Vehicles	straight-line	10 years
CMHC Housing	straight-line	25 years
Infrastructure	straight-line	40 years

**Funds held in Ottawa trust**

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

**Investment in Treaty**

The Nation is in negotiations with the Government of Canada to negotiate a treaty. Both funding and interest free loans are received from the federal government to assist in the process. Expenses pertaining to the negotiation are capitalized to reflect the amount of investment the Nation has made in the treaty process. The loan will be repaid as outlined in Note 9.



2. **Significant accounting policies** *(Continued from previous page)*

**Net financial assets**

The Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Nation is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.

**Asset classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

**Revenue recognition**

*Government Funding*

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

*First Nation Capital and Revenue Trust Funds*

The First Nation recognizes revenues of the Ottawa Trust Fund at the time income is earned.

*Housing Rental Income*

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

*Own Source Revenue*

Revenue from own sources is recognized as it becomes receivable.

*Investment Income*

Investment income is recognized by the Nation when the investment income is earned.

**Financial instruments**

The Nation's financial instruments consist of cash, funds held in Ottawa trust, accounts receivable, advances to related Nations entities, short-term investments, long-term portfolio investments, accounts payable and accruals, long-term debt and First Nation loan agreement. Unless otherwise noted, it is management's opinion that the Nation is not exposed to significant interest, credit or currency risks arising from these financial instruments. The long-term portfolio investments are exposed to market risk as the investments are in capital markets as identified in Note 5.



2. **Significant accounting policies** *(Continued from previous page)*

**Measurement uncertainty**

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known.

**Long-lived assets**

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus for the year.

The Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

**Segments**

The Nation conducts its business through a number of reportable segments as described in Note 16. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

**Recent accounting pronouncements**

**Liability for contaminated sites**

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The Nation has not yet determined the effect of the new section in its consolidated financial statements.

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**2. Significant accounting policies** *(Continued from previous page)*

**Financial instruments**

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. This will result in both short-term investments and long-term portfolio investments recorded at fair value instead of cost.

**3. Short-term investments**

Short-term investments are comprised of a guaranteed investment certificate with a maturity date of August 20, 2014, bearing interest at a rate of 1.4%.

**4. Accounts receivable**

	<b>2014</b>	<b>2013</b> <i>(Restated Note 14)</i>
Aboriginal Affairs and Northern Development Canada	195,183	184,559
Health and Welfare Canada	-	26,012
CMHC subsidy assistance receivable	8,008	8,664
Fisheries and Oceans Canada	149,174	-
Members	20,261	13,666
Social housing rent	-	331
Accrued trust investment income	763,849	536,151
Other accounts receivable	34,088	58,776
Marine Harvest	43,218	24,304
Naut'samawt Tribal Council	-	81,967
Aboriginal Tourism	-	36,536
	<b>1,213,781</b>	<b>970,966</b>

**5. Long-term portfolio investments**

Long-term portfolio investments are held in the following investments within Scotia Trust accounts:

	<b>2014</b>	<b>2013</b> <i>(Restated Note 14)</i>
Bentall Kennedy Prime Can Property Fund	2,405,970	2,311,210
Fiera Capital - Fiera Active Fixed Income Fund (202)	6,240,768	5,903,180
Mawer Canadian Equity Pooled Fund (112)	14,844,093	15,351,000
	<b>23,490,831</b>	<b>23,565,390</b>



**Gwa'Sala-'Nakwaxda'xw Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**6. Funds held in Ottawa trust**

Capital and revenue trust moneys are transferred to the Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with consent of the Nation's Council.

	2014	2013
<b>Capital Trust</b>		
Balance, beginning and end of year	94,133	94,133
<b>Revenue Trust</b>		
Balance, beginning of year	83,943	76,482
Interest	7,306	7,461
Balance, end of year	91,249	83,943
<b>Total</b>	<b>185,382</b>	<b>178,076</b>

**7. Restricted cash**

	2014	2013
Replacement reserve	160,235	115,409
Operating reserve	36,604	4,409
	<b>196,839</b>	<b>119,818</b>

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited in the amount of \$30,115 (2013 - \$31,415) 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 CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, these reserves were adequately funded (2013 - underfunded by \$230,202).

Under the terms of the agreements with CMHC, excess revenues over expenditures for the Post 1996 phases may be retained in an Operating Reserve. 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 CMHC from time to time. At year end, the operating reserve was underfunded by \$22,309 (2013- \$33,638).

**8. Accounts payable and accruals**

Included in accounts payable and accruals is \$125,000 (2013 - \$nil) for a customer deposit held by the Nation for 0997330 Contracting Limited Partnership, which was formed on June 1, 2014.

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**9. First Nation loan agreement**

Gwa'Sala-'Nakwaxda'xw First Nation receives interest free advances from Aboriginal Affairs and Northern Development Canada pursuant to an agreement with the British Columbia Treaty Commission and the Minister of Aboriginal Affairs and Northern Development Canada. Under the terms of the agreement the Nation receives both loaned and contributed funds.

During the year the Nation received \$141,680 (2013 - \$177,680) contributed funds and loans in the amount of \$566,720 (2013 - \$550,720) resulting in a cumulative loan balance of \$5,802,074 (2013 - \$5,235,354).

The funds are to be used solely for the purposes of treaty negotiations. The loan proceeds are non-interest bearing and become due and payable upon the earlier of:

- a) the date a treaty signed by the Negotiating Parties takes effect unless otherwise agreed in the treaty;
- b) the later of;
  - the twelfth anniversary of the date of the first Loan Advance by Canada to the First Nation under the earliest First Nation Funding Agreement; or
  - the Extended Due Date; and
- c) the date the Federal Minister demands payment of the Loan due to an event of default under the agreement or under any First Nation Funding Agreement.

The Nation capitalizes all expenses related to the Treaty process as management expects the future settlement to exceed the investment in treaty balance. During the year, the Nation capitalized \$711,889 (\$603,456). The Nation is in Stage 4 of treaty negotiation, which is the Negotiation of an Agreement in Principle stage.



**Gwa'Sala-'Nakwaxda'xw Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**10. Long-term debt**

	2014	2013
Post 96 - Phase 2 - All Nations Trust - repayable at \$4,972 per month including interest at 1.62% per annum; secured by a N. H. A. and Ministerial Guarantee. Matures March 1, 2018.	975,760	1,020,687
Post 96 - Phase 1 - All Nations Trust - repayable at \$2,656 per month including interest at 1.80% per annum; secured by a N. H. A. and Ministerial Guarantee. Matures October 1, 2016.	480,324	504,123
Post 96 - Phase 5 - All Nations Trust - repayable at \$976 (2013 - \$1,046) per month including interest at 1.71% per annum; secured by a N. H. A. and Ministerial Guarantee. Matures September 1, 2017.	226,708	225,911
Pre 97 - Phase 9 - All Nations Trust - repayable at \$1,261 per month including interest at 2.57% per annum; secured by a N. H. A. and Ministerial Guarantee. Matures October 1, 2016.	37,796	51,884
Pre 97 - Phase 10 - All Nations Trust - repayable at \$2,102 per month including interest at 1.80% per annum; secured by a N. H. A. and Ministerial Guarantee. Matures July 1, 2014.	8,377	33,256
Pre 97 - Phase 4 - fully repaid April 1, 2013.	-	1,590
	<b>1,728,965</b>	<b>1,837,451</b>

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal	Interest	Total
2015	98,266	28,582	126,848
2016	91,493	26,899	118,392
2017	86,854	25,236	112,090
2018	79,418	23,837	103,255
2019	80,767	22,488	103,255
	<b>436,798</b>	<b>127,042</b>	<b>563,840</b>

**11. Contingencies**

The Nation may be contingently liable with respect to Ministerial guarantees for "On Reserve Housing Loans" to various financial institutions in the amount of \$3,423 (2013 - \$7,769). These loan guarantees are in addition to CMHC mortgages.

During the year, the Nation made the decision to withdraw from the Gwabalish Fisheries Group and are currently holding funds on behalf of the group. There is no formal agreement in place that describes how these funds are to be distributed between the five member Nations. The Nation may potentially be liable to disburse these funds to the member Nations to a maximum of \$360,000.

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**12. Accumulated surplus**

Accumulated surplus consists of the following:

	2014	2013 (Restated Note 14)
Equity in Gwa'Sala-'Nakwaxda'xw Band Trust	24,913,699	24,543,765
Equity in Treaty	1,175,464	1,030,295
Equity in Ottawa Trust Fund	185,382	178,076
Operating surplus	652,656	1,246,576
Equity in tangible capital assets	6,515,174	5,618,385
Social Housing Replacement and Operating Reserves	217,971	383,658
	<b>33,660,346</b>	<b>33,000,755</b>

**13. Economic dependence**

Gwa'Sala-'Nakwaxda'xw Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of agreements entered into with the Government of Canada. These agreements are administered by AANDC under the terms and conditions of the *Indian Act*. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**14. Correction of errors**

During the year the Nation determined that the Gwa'Sala-'Nakwaxda'xw Band Trust was not previously consolidated, although control existed. Additionally the Nation determined that Gwa'Nak Resources Ltd. which was previously included in the Nation's financial statements under the modified equity method is not self sustaining and should be consolidated. The retroactive application of this correction of errors had a material impact on the results of operations and financial condition of the Nation. The following accounts were impacted:

	2013 balance, as previously reported	Adjustment	2013 balance, restated
Cash resources	1,444,331	257,576	1,701,907
Short-term investments	-	98,000	98,000
Accounts receivable	434,815	536,151	970,966
Long-term portfolio investments	-	23,565,390	23,565,390
Investment in First Nation business entity	85,504	(85,504)	-
Receivable from Gwa'Sala-'Nakwaxda'xw Band Trust	913,831	(913,831)	-
Restricted cash	115,409	4,409	119,818
Accounts payable and accruals	389,980	41,645	431,625
Prepaid expenses	183,675	400	184,075
Opening accumulated surplus	9,025,880	23,710,946	32,736,826
Other revenue	952,661	(128,000)	824,661
Rental income	232,088	(45,757)	186,331
Investment income	18,279	729,747	748,026
Trust revenue	116,807	(116,807)	-
Expenses - Administration	860,352	(45,757)	814,595
Expenses - Income Assistance	1,119,689	(243,428)	876,261
Expenses - Economic Development	131,578	181,102	312,680
Expenses - Capital Projects	376,216	(40,253)	335,963
Expenses - Community	361,399	115,470	476,869
Expenses - Trust	-	762,052	762,052

**15. Trust**

Funds held in trust on behalf of the Nation's members by the Gwa'Sala-'Nakwaxda'xw Band Trust are reported on the consolidated statement of financial position and consolidated statement of operations and accumulated surplus as follows:

	2014	2013
Financial Assets	24,611,504	24,459,310
Liabilities	(64,205)	(43,945)
Net Financial Assets	24,547,299	24,415,365
Non Financial Assets	400	400
Revenues	1,111,387	729,747
Expenses	(741,453)	(762,052)
Surplus (deficit)	369,934	(32,305)
Accumulated surplus	24,913,699	24,543,765

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**16. Segments**

The Nation receives revenues and incurs expenses from many different projects and sources. For management and reporting purposes, the revenues, expenses and surplus or deficits are organized by segments. Schedules 3 to 15 disclose the details of the Nation's revenues and expenses by segment. The Nation is organized into the following segments:

**Administration**

Includes general operations, support, and financial management of the Nation.

**Treaty**

Includes revenues and expenditures related to the negotiation of treaty.

**Income Assistance**

Includes revenues and expenses relating to the social assistance of the members of Gwa'Sala-'Nakwaxda'xw First Nation.

**Education**

Includes revenues and expenses related to primary, secondary and post secondary education of the members.

**Gwa'Sala-'Nakwaxda'xw School**

Includes the operation of the school.

**Economic Development**

Includes activities related to the growth of revenue producing projects with the Nation.

**Community Infrastructure**

Includes the maintenance of infrastructure owned by the Nation.

**Natural Resources**

Includes revenues and expenditures related to conservation and stewardship of the Nation's land and resources.

**Capital Projects**

Includes revenue and expenditures related to capital projects.

**Community**

Includes revenues and expenditures related to the delivery of programs that support the Gwa'Sala-'Nakwaxda'xw First Nation community.

**Health**

Includes activities related to the provision of health services within the Nation.

**CMHC social housing**

Includes rent collection and maintenance related to the mortgaged homes owned by the Nation.

**Trust**

Includes revenues and expenditures related to the financial settlement arising out the relocation of the Nation.

**17. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.



**Gwa'Sala-'Nakwaxda'xw Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**18. Subsequent event**

Subsequent to the year-end the Nation incorporated the following corporations and limited partnerships:

- Gwa'Nak Resources Limited Partnership
- 09973211 Fisheries Limited Partnership
- 0997211 BC Ltd.
- 0997328 Marine Services Limited Partnership
- 0997328 BC Ltd.
- 0997329 Tourism Services Limited Partnership
- 0997329 BC Ltd.
- 0997330 Contracting Limited Partnership
- 0997330 BC Ltd.

**19. Aboriginal Affairs and Northern Development Canada funding reconciliation**

	2014	2013
AANDC revenue per confirmation	4,647,789	3,339,337
Difference between estimated and actual recoveries	1,779	-
	<u>4,649,568</u>	<u>3,339,337</u>

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2014*

	Land	Buildings	Paving	Bridges	Computers and IT hardware	Computer Software	Subtotal
<b>Cost</b>							
Balance, beginning of year	719,224	8,186,837	301,792	1,404,461	882,233	34,436	11,528,983
Acquisition of tangible capital assets	-	36,000	-	-	50,774	-	86,774
Transfers	-	282,743	-	-	-	-	282,743
Balance, end of year	719,224	8,505,580	301,792	1,404,461	933,007	34,436	11,898,500
<b>Accumulated amortization</b>							
Balance, beginning of year	-	5,372,682	222,917	921,955	822,871	34,436	7,374,861
Annual amortization	-	212,189	12,072	35,111	24,282	-	283,654
Transfers	-	207,070	-	-	-	-	207,070
Balance, end of year	-	5,791,941	234,989	957,066	847,153	34,436	7,865,585
<b>Net book value of tangible capital assets</b>	<b>719,224</b>	<b>2,713,639</b>	<b>66,803</b>	<b>447,395</b>	<b>85,854</b>	<b>-</b>	<b>4,032,915</b>
2013 Net book value of tangible capital assets	719,224	2,814,155	78,875	482,506	59,362	-	4,154,122

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2014*

	<i>Subtotal</i>	<i>Furniture &amp; Fixtures</i>	<i>Boats</i>	<i>Vehicles</i>	<i>CMHC Housing</i>	<i>Subtotal</i>
<b>Cost</b>						
Balance, beginning of year	11,528,983	1,048,768	158,990	166,380	3,671,070	16,574,191
Acquisition of tangible capital assets	86,774	55,794	227,885	-	-	370,453
Transfers	282,743	-	-	-	(295,043)	(12,300)
Balance, end of year	11,898,500	1,104,562	386,875	166,380	3,376,027	16,932,344
<b>Accumulated amortization</b>						
Balance, beginning of year	7,374,861	945,010	61,073	131,345	744,008	9,256,297
Annual amortization	283,654	23,541	27,293	16,638	89,985	441,111
Transfers	207,070	-	-	-	(219,369)	(12,299)
Balance, end of year	7,865,585	968,551	88,366	147,983	614,624	9,685,109
<b>Net book value of tangible capital assets</b>	<b>4,032,915</b>	<b>136,011</b>	<b>298,509</b>	<b>18,397</b>	<b>2,761,403</b>	<b>7,247,235</b>
2013 Net book value of tangible capital assets	4,154,122	103,758	97,917	35,035	2,927,062	7,317,894

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2014*

	Subtotal	Infrastructure	2014	2013
<b>Cost</b>				
Balance, beginning of year	16,574,191	358,571	16,932,762	16,787,547
Acquisition of tangible capital assets	370,453	877,267	1,247,720	145,215
Transfers	(12,300)	-	(12,300)	-
Balance, end of year	16,932,344	1,235,838	18,168,182	16,932,762
<b>Accumulated amortization</b>				
Balance, beginning of year	9,256,297	220,629	9,476,926	9,034,843
Annual amortization	441,111	18,305	459,416	442,083
Transfers	(12,299)	-	(12,299)	-
Balance, end of year	9,685,109	238,934	9,924,043	9,476,926
<b>Net book value of tangible capital assets</b>	<b>7,247,235</b>	<b>996,904</b>	<b>8,244,139</b>	<b>7,455,836</b>
2013 Net book value of tangible capital assets	7,317,894	137,942	7,455,836	



**Gwa'Sala-'Nakwaxda'xw Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2014*

	2014 <i>Budget</i> <i>(Unaudited)</i>	2014	2013 <i>(Restated</i> <i>Note 14)</i>
<b>Consolidated expenses by object</b>			
Administration	37,190	1,437	3,291
Advertising	1,560	5,536	5,058
Amortization	-	459,416	442,083
Audit fees	-	31,650	47,325
Bad debts	-	77,180	259,546
Bank charges and interest	-	7,889	5,137
Contracted services	1,020	6,617	6,199
Distributions	-	277,936	191,315
Equipment lease	3,408	109,405	63,694
Funeral	14,993	18,613	13,374
Furniture and equipment	103,540	376,646	243,745
GST and Sales tax	8,091	10,719	7,763
Honoraria	73,122	197,614	146,661
Insurance	2,022	136,263	141,953
Interest on long-term debt	-	30,277	51,737
Legal settlement	-	28,030	-
Miscellaneous	11,839	66,016	53,022
Office supplies	40,507	84,164	58,683
Professional fees	315,613	695,227	651,357
Program expense	47,350	257,092	346,062
Property tax	84,987	90,304	76,395
Rent	20,455	63,071	49,547
Repairs and maintenance	35,264	178,036	95,511
Salaries and benefits	2,126,345	3,666,813	3,352,189
Social assistance	690,395	661,618	594,275
Subcontracts	1,091,232	624,016	321,980
Supplies	102,153	225,756	188,513
Telephone	18,594	80,335	66,621
Training	36,500	52,008	69,835
Transportation	-	-	32,039
Travel	13,741	239,652	236,961
Trust management fees	-	220,950	130,273
Tuition	274,441	242,740	311,137
User fees	49,600	54,497	49,580
Utilities	29,534	190,890	155,419
	<b>5,233,496</b>	<b>9,468,413</b>	<b>8,468,280</b>

# Gwa'Sala-'Nakwaxda'xw Nation

## Administration

### Schedule 3 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2014

	2014 Budget (Unaudited)	2014	2013 (Restated - Note 14)
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	375,349	494,610	415,391
Other revenue	-	215,690	583,584
Department of Fisheries and Oceans	-	155,315	-
Coast Opportunity Fund	-	225,000	190,000
Rental income	-	21,803	9,675
Interest income	-	15,778	17,316
	375,349	1,128,196	1,215,966
<b>Expenses</b>			
Administration (recovery)	3,662	(119,923)	(107,598)
Advertising	1,560	1,551	333
Amortization	-	80,162	99,812
Audit fees	-	23,650	30,202
Bank charges and interest	-	1,414	496
Contracted services	1,020	1,582	2,280
Funeral	14,993	18,613	13,374
Furniture and equipment	4,599	44,156	27,794
GST and Sales tax	8,091	10,719	7,763
Honoraria	56,472	85,401	63,172
Insurance	2,022	3,507	24,971
Legal settlement	-	28,030	-
Miscellaneous	1,596	6,526	4,785
Office equipment lease	3,408	7,348	4,604
Office supplies	3,530	2,163	6,914
Professional fees	103,567	329,732	118,918
Program expense	-	6,768	2,258
Rent	1,702	4,152	5,654
Repairs and maintenance	-	38,766	24,731
Salaries and benefits	280,994	496,717	400,931
Subcontracts	5,775	20,605	4,728
Supplies	2,420	6,414	5,619
Telephone	11,580	20,448	21,617
Training	-	6,128	423
Travel	9,360	38,912	17,404
User fees	2,460	13,035	13,919
Utilities	9,469	33,283	19,491
	528,280	1,209,859	814,595
<b>Surplus (deficit) before transfers</b>	(152,931)	(81,663)	401,371
<b>Transfers between programs</b>	-	5,089	83
<b>Surplus (deficit)</b>	(152,931)	(76,574)	401,454

# Gwa'Sala-'Nakwaxda'xw Nation

## Treaty

### Schedule 4 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2014

	2014 Budget (Unaudited)	2014	2013 (Restated - Note 14)
Revenue			
British Columbia Treaty Commission	-	141,680	177,680
Surplus	-	141,680	177,680



**Gwa'Sala-'Nakwaxda'xw Nation**  
**Income Assistance**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

	<i>2014 Budget (Unaudited)</i>	<i>2014</i>	<i>2013 (Restated - Note 14)</i>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	833,722	948,792	872,096
<b>Expenses</b>			
Bank charges and interest	-	331	1,164
Contracted services	-	951	670
Furniture and equipment	2,880	2,880	2,236
Miscellaneous	10,243	10,319	11,414
Office equipment lease	-	-	2,302
Office supplies	1,886	2,701	2,628
Professional fees	-	800	7,510
Program expense	5,414	5,614	7,881
Rent	-	2,511	2,941
Repairs and maintenance	-	260	-
Salaries and benefits	104,556	106,425	111,509
Social assistance	690,395	661,618	594,275
Supplies	69,030	70,279	53,808
Telephone	7,014	8,207	1,911
Training	28,000	28,005	59,345
Travel	725	1,544	7,608
Tuition	11,660	11,660	9,020
Utilities	-	-	39
	931,803	914,105	876,261
<b>Surplus (deficit) before transfers</b>	(98,081)	34,687	(4,165)
<b>Transfers between programs</b>	-	11,656	(1,327)
<b>Surplus (deficit)</b>	(98,081)	46,343	(5,492)

# Gwa'Sala-'Nakwaxda'xw Nation

## Education

### Schedule 6 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2014

	2014 Budget (Unaudited)	2014	2013 (Restated - Note 14)
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	1,428,752	413,602	419,671
First Nations Education Steering Committee	-	11,251	13,048
Other revenue	-	5,000	5,000
School District 85	-	228,642	214,164
	<b>1,428,752</b>	<b>658,495</b>	<b>651,883</b>
<b>Expenses</b>			
Amortization	-	12,088	2,610
Bank charges and interest	-	94	-
Contracted services	-	458	-
Furniture and equipment	-	23,394	3,137
Honouraria	-	1,250	-
Insurance	-	-	418
Miscellaneous	-	9,012	-
Office supplies	19,631	18,268	1,310
Program expense	41,936	31,042	41,037
Rent	-	4,939	-
Repairs and maintenance	25,388	4,765	165
Salaries and benefits	-	264,257	244,336
Subcontracts	-	1,766	191
Supplies	30,703	41,839	16,187
Telephone	-	1,100	-
Travel	3,027	10,350	1,530
Tuition	262,781	231,080	302,117
Utilities	20,042	3,289	654
	<b>403,508</b>	<b>658,991</b>	<b>613,692</b>
<b>Surplus (deficit) before transfers</b>	<b>1,025,244</b>	<b>(496)</b>	<b>38,191</b>
<b>Transfers between programs</b>	<b>-</b>	<b>(16,746)</b>	<b>-</b>
<b>Surplus (deficit)</b>	<b>1,025,244</b>	<b>(17,242)</b>	<b>38,191</b>

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Gwa'Sala-'Nakwaxda'xw School**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

	<b>2014</b> <i>Budget</i> <i>(Unaudited)</i>	<b>2014</b>	<b>2013</b> <i>(Restated -</i> <i>Note 14)</i>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	-	1,170,041	1,002,669
First Nations Education Steering Committee	-	136,377	197,577
Other revenue	-	41,954	154,520
Province of BC	-	742,421	734,357
	-	2,090,793	2,089,123
<b>Expenses</b>			
Amortization	-	187,233	184,082
Audit fees	-	-	1,525
Bad debts	-	-	25,338
Bank charges and interest	-	201	201
Furniture and equipment	69,413	59,641	82,308
Honoraria	-	20,685	12,437
Insurance	-	2,442	23,169
Miscellaneous	-	8,139	4,685
Office supplies	-	11,175	11,646
Professional fees	-	473	19,786
Program expense	-	77,953	54,898
Rent	-	14,404	12,916
Repairs and maintenance	-	41,186	21,190
Salaries and benefits	1,610,918	1,609,683	1,566,035
Supplies	-	29,689	32,446
Telephone	-	10,744	9,907
Utilities	-	37,836	34,287
	1,680,331	2,111,484	2,096,856
<b>Deficit</b>	<b>(1,680,331)</b>	<b>(20,691)</b>	<b>(7,733)</b>



**Gwa'Sala-'Nakwaxda'xw Nation**  
**Economic Development**  
**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

	<b>2014 Budget (Unaudited)</b>	<b>2014</b>	<b>2013 (Restated - Note 14)</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	173,235	173,235	128,443
Other revenue	-	152,120	9,290
Marine services and fisheries	-	17,773	-
Coast Opportunity Fund	-	-	227,710
	<b>173,235</b>	<b>343,128</b>	<b>365,443</b>
<b>Expenses</b>			
Administration	9,000	9,000	6,600
Advertising	-	3,886	4,110
Amortization	-	132	66
Bank charges and interest	-	1,940	1,256
Furniture and equipment	-	66,134	31,658
Honoraria	5,400	10,200	1,000
Miscellaneous	-	-	719
Office equipment lease	-	7,500	-
Office supplies	-	14,352	15,031
Professional fees	94,875	175,071	135,144
Program expense	-	12,434	5,641
Property tax	-	55	-
Rent	-	5,382	6,679
Repairs and maintenance	-	32,510	5,382
Salaries and benefits	53,783	65,231	72,303
Subcontracts	-	116,952	35
Supplies	-	11,541	7,434
Telephone	-	1,142	4,726
Training	-	1,006	-
Travel	-	21,155	14,169
Utilities	-	9,166	727
	<b>163,058</b>	<b>564,789</b>	<b>312,680</b>
<b>Surplus (deficit)</b>	<b>10,177</b>	<b>(221,661)</b>	<b>52,763</b>

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Community Infrastructure**  
**Schedule 9 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

	<i>2014 Budget (Unaudited)</i>	<i>2014</i>	<i>2013 (Restated - Note 14)</i>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	98,100	156,473	60,606
Other revenue	-	-	453
Rental income	-	49,874	28,120
	<b>98,100</b>	<b>206,347</b>	<b>89,179</b>
<b>Expenses</b>			
Administration	2,500	2,500	-
Amortization	-	62,846	54,647
Contracted services	-	120	-
Furniture and equipment	3,610	4,849	17,435
Insurance	-	86,555	48,850
Miscellaneous	-	440	379
Office supplies	-	288	25
Professional fees	-	-	8,713
Program expense	-	-	1,148
Property tax	15,487	20,738	6,898
Rent	11,088	11,177	4,521
Repairs and maintenance	9,876	9,006	8,770
Subcontracts	106,278	86,804	10,437
Travel	-	24	388
User fees	-	1,851	19,259
Utilities	-	343	116
	<b>148,839</b>	<b>287,541</b>	<b>181,586</b>
<b>Deficit</b>	<b>(50,739)</b>	<b>(81,194)</b>	<b>(92,407)</b>

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Natural Resources**  
**Schedule 10 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

	<b>2014 Budget (Unaudited)</b>	<b>2014</b>	<b>2013 (Restated - Note 14)</b>
<b>Revenue</b>			
Fisheries and Oceans Canada	-	216,163	96,467
Other revenue	-	(31,612)	66,623
Marine services and fisheries	-	308,468	345,975
Forest and Range Agreement	-	222,951	230,779
Interest income	-	558	-
	-	<b>716,528</b>	<b>739,844</b>
<b>Expenses</b>			
Administration (recovery)	-	-	(13,914)
Amortization	-	7,285	-
Bank charges and interest	-	5	-
Furniture and equipment	-	19,841	23,174
Honoraria	-	8,128	700
Insurance	-	14,276	2,566
Miscellaneous	-	1,462	800
Office equipment lease	-	82,251	45,000
Office supplies	-	310	2,116
Professional fees	-	46,263	35,996
Program expense	-	48,474	101,837
Rent	-	911	4,987
Repairs and maintenance	-	29,967	16,473
Salaries and benefits	-	178,093	166,757
Subcontracts	-	39,355	3,900
Supplies	-	11,209	8,148
Telephone	-	5,314	4,055
Training	-	4,507	725
Travel	-	20,505	25,431
User fees	-	-	357
Utilities	-	47,847	35,078
	-	<b>566,003</b>	<b>464,186</b>
<b>Surplus</b>	-	<b>150,525</b>	<b>275,658</b>



**Gwa'Sala-'Nakwaxda'xw Nation**  
**Capital Projects**

**Schedule 11 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2014*

	<b>2014 Budget (Unaudited)</b>	<b>2014</b>	<b>2013 (Restated - Note 14)</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	1,057,660	1,187,111	328,619
Other revenue	-	-	190
	<b>1,057,660</b>	<b>1,187,111</b>	<b>328,809</b>
<b>Expenses</b>			
Administration	19,779	19,779	-
Amortization	-	15,966	4,000
Furniture and equipment	23,038	23,176	7,358
Insurance	-	905	-
Miscellaneous	-	-	70
Office supplies	-	-	146
Professional fees	99,171	29,131	71,777
Program expense	-	-	1,800
Property tax	69,500	69,510	69,497
Rent	7,665	7,665	4,538
Repairs and maintenance	-	589	3,247
Salaries and benefits	29,851	31,207	65,462
Subcontracts	979,179	153,109	80,919
Supplies	-	-	578
Telephone	-	2,318	1,755
Travel	629	629	372
User fees	47,140	36,773	16,024
Utilities	21	8,438	8,420
	<b>1,275,973</b>	<b>399,195</b>	<b>335,963</b>
<b>Surplus (deficit)</b>	<b>(218,313)</b>	<b>787,916</b>	<b>(7,154)</b>

**Gwa'Sala-'Nakwaxda'xw Nation  
Community**

**Schedule 12 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2014*

	<b>2014 Budget (Unaudited)</b>	<b>2014</b>	<b>2013 (Restated - Note 14)</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	105,704	105,704	111,842
Other revenue	-	78,300	-
Province of BC	-	170,108	190,520
Rental income	-	460	1,225
	<b>105,704</b>	<b>354,572</b>	<b>303,587</b>
<b>Expenses</b>			
Administration	2,250	30,654	33,175
Advertising	-	50	475
Amortization	-	1,042	521
Contracted services	-	805	952
Furniture and equipment	-	116,827	23,350
Honoraria	11,250	11,250	3,725
Insurance	-	4,330	3,229
Miscellaneous	-	410	1,175
Office equipment lease	-	918	3,194
Office supplies	15,460	17,735	828
Professional fees	18,000	18,000	55,642
Program expense	-	22,830	995
Rent	-	6,771	2,474
Repairs and maintenance	-	6,011	244
Salaries and benefits	46,244	427,476	248,166
Subcontracts	-	65,165	54,323
Supplies	-	5,178	10,488
Telephone	-	10,254	5,150
Training	8,500	10,513	347
Travel	-	7,013	5,631
User fees	-	2,740	-
Utilities	-	20,230	22,785
	<b>101,704</b>	<b>786,202</b>	<b>476,869</b>
<b>Surplus (deficit)</b>	<b>4,000</b>	<b>(431,630)</b>	<b>(173,282)</b>

**Gwa'Sala-'Nakwaxda'xw Nation**  
**Health**

**Schedule 13 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2014*

	<b>2014 Budget (Unaudited)</b>	<b>2014</b>	<b>2013 (Restated - Note 14)</b>
<b>Revenue</b>			
Health Canada	-	994,341	903,340
Other revenue	-	-	5,000
	-	994,341	908,340
<b>Expenses</b>			
Administration	-	57,990	81,738
Advertising	-	50	141
Amortization	-	2,680	846
Audit fees	-	-	6,198
Contracted services	-	2,703	2,297
Furniture and equipment	-	15,746	25,296
Honoraria	-	1,650	1,303
Insurance	-	3,667	12,148
Miscellaneous	-	3,926	3,391
Office equipment lease	-	11,388	8,594
Office supplies	-	13,656	10,527
Professional fees	-	60,103	168,779
Program expense	-	16,913	26,613
Rent	-	-	152
Repairs and maintenance	-	10,409	1,023
Salaries and benefits	-	487,724	476,690
Subcontracts	-	69,483	6,016
Supplies	-	49,606	53,807
Telephone	-	20,809	17,501
Training	-	1,850	2,920
Travel	-	131,514	156,863
User fees	-	99	22
Utilities	-	7,319	7,341
	-	969,285	1,070,206
<b>Surplus (deficit) before transfers</b>	-	25,056	(161,866)
<b>Transfers between programs</b>	-	-	(1)
<b>Surplus (deficit)</b>	-	25,056	(161,867)



**Gwa'Sala-'Nakwaxda'xw Nation**  
**CMHC Social Housing**  
**Schedule 14 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2014*

	<b>2014 Budget (Unaudited)</b>	<b>2014</b>	<b>2013 (Restated - Note 14)</b>
<b>Revenue</b>			
Canada Mortgage and Housing Corporation	-	96,372	112,235
Rental income	-	149,536	147,311
Interest income	-	729	963
	-	<b>246,637</b>	<b>260,509</b>
<b>Expenses</b>			
Administration	-	1,437	3,291
Amortization	-	89,985	95,500
Audit fees	-	8,000	9,400
Bad debts	-	77,180	234,208
Bank charges and interest	-	1,809	478
Insurance	-	20,581	26,602
Interest on long-term debt	-	30,277	51,737
Miscellaneous	-	2,540	1,359
Repairs and maintenance	-	4,566	14,285
Utilities	-	23,131	26,474
	-	<b>259,506</b>	<b>463,334</b>
<b>Deficit</b>	-	<b>(12,869)</b>	<b>(202,825)</b>

**Gwa'Sala-'Nakwaxda'xw Nation  
Trust**

**Schedule 15 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2014*

	<b>2014 Budget (Unaudited)</b>	<b>2014</b>	<b>2013 (Restated - Note 14)</b>
<b>Revenue</b>			
Interest income	-	1,111,387	729,747
<b>Expenses</b>			
Bank charges and interest	-	2,094	1,541
Distributions	-	277,936	191,315
Honouraria	-	59,050	64,324
Miscellaneous	-	23,243	24,246
Office supplies	-	3,515	7,513
Professional fees	-	35,656	29,092
Program expense	-	35,065	101,954
Rent	-	5,160	4,685
Subcontracts	-	70,777	161,430
Training	-	-	6,075
Transportation	-	-	32,039
Travel	-	8,007	7,565
Trust management fees	-	220,950	130,273
	-	741,453	762,052
<b>Surplus (deficit)</b>	-	369,934	(32,305)