

**Nuxalk Nation**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2015**

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**Consolidated Financial Statements**  
**For the year ended March 31, 2015**

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## Management's Responsibility for Financial Reporting

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The accompanying consolidated financial statements of Nuxalk Nation are the responsibility of management and have been approved by the Administrator and the Finance Officer of the Nation.

The consolidated 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.

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

Nuxalk Nation is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through the Nation's Council.

The Chief and Council review the Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the Nation Council.

  
Administrator

  
Finance Officer



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BDO Canada LLP  
272 Victoria Street, Suite 300  
Kamloops BC V2C 1Z6 Canada

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## Independent Auditor's Report

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### To the Members of Nuxalk Nation

We have audited the accompanying consolidated financial statements of Nuxalk Nation, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of change in net financial assets, operations 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 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 auditor's 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 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**

As noted in the Summary of Significant Accounting Policies regarding tangible capital assets, the Social Housing tangible capital assets are required by Canada Mortgage and Housing Corporation to be amortized at a rate equivalent to the annual principal reduction of the related long term debt. This amortization policy is not in accordance with Canadian public sector accounting standards, which require that tangible capital assets be amortized over their estimated useful lives. The effect of this departure has not been determined on the net book value of tangible capital assets, the related amortization expense, annual surplus and equity in tangible capital assets.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Nuxalk Nation as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Other Matters**

Nuxalk Nation has also prepared another set of consolidated financial statements for the year ended March 31, 2015 in accordance with Canadian public sector accounting standards. However, these consolidated financial statements include unaudited supplementary exhibits and schedules which present detailed program revenues and expenditures prepared to assist the management of Nuxalk Nation to meet the reporting requirements of various funding agencies. In addition, these consolidated financial statements have expanded disclosures for Chief and Council. Our audit report on the other set of consolidated financial statements was issued to the Chief and Council of Nuxalk Nation and was dated July 23, 2015.

The comparative figures were reported on by another firm of Chartered Professional Accountants whose opinion was dated July 24, 2014.

*BDO Canada LLP*  
Chartered Professional Accountants

Kamloops, British Columbia  
July 23, 2015

**Nuxalk Nation**  
**Exhibit A - Consolidated Statement of Financial Position**

<b>As at March 31</b>	<b>2015</b>	<b>2014</b>
<b>Financial Assets</b>		
Cash (Note 1)	\$ 2,525,920	\$ 1,838,555
Restricted cash (Note 2)	401,013	353,551
Accounts receivable (Note 3)	850,883	269,952
Investment in Nation business entities (Note 9)	1,669,022	1,549,908
Inventory	26,839	27,621
	<b>5,473,677</b>	<b>4,039,587</b>
<b>Liabilities</b>		
Accounts payable (Note 4)	1,151,220	947,079
Deferred revenue (Note 5)	597,385	104,345
Long term debt (Note 6)	413,740	590,814
Replacement reserve	537,326	533,251
	<b>2,699,671</b>	<b>2,175,489</b>
<b>Net Financial Assets</b>	<b>2,774,006</b>	<b>1,864,098</b>
<b>Non-financial Assets</b>		
Prepaid expense	269,613	275,896
Tangible capital assets (Note 7)	23,714,082	24,315,207
	<b>23,983,695</b>	<b>24,591,103</b>
<b>Accumulated Surplus (Note 8)</b>	<b>\$ 26,757,701</b>	<b>\$ 26,455,201</b>

Approved on behalf of the Band Council:

, Administrator

, Finance Officer

**Nuxalk Nation**  
**Exhibit B - Consolidated Statement of Change in Net Financial Assets**

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2015</b>	<b>2014</b>
<b>Surplus - Exhibit C</b>	<b>\$ 5,196,040</b>	<b>\$ 506,156</b>	<b>\$ 919,842</b>
Purchases of tangible capital assets	-	(851,177)	(230,214)
Amortization of tangible capital assets	-	1,452,300	1,470,028
	<hr/>	<hr/>	<hr/>
	-	601,123	1,239,814
Change in prepaid expense	-	6,701	(121,697)
Houses for resale	-	-	33,509
Change in Ottawa Trust Funds	-	32,716	11,412
(Recoveries) reimbursements in the year	-	-	(11,906)
Equity change in Nuxalk Forestry equity	-	140,918	-
Transfers to restricted	-	(377,706)	(2,467,781)
	<hr/>	<hr/>	<hr/>
	-	(197,371)	(2,556,463)
<b>Increase in net financial assets</b>	<b>5,196,040</b>	<b>909,908</b>	<b>(396,807)</b>
<b>Net financial assets, beginning of year</b>	<b>-</b>	<b>1,864,098</b>	<b>2,260,905</b>
<b>Net financial assets, end of year</b>	<b>\$ 5,196,040</b>	<b>\$ 2,774,006</b>	<b>\$ 1,864,098</b>

**Nuxalk Nation**

**Exhibit C - Consolidated Statement of Operations**

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	\$ 4,273,055	\$ 10,480,140	\$ 11,419,510
First Nations Health Authority	-	1,905,298	1,833,484
Province of British Columbia	506,704	1,071,268	612,364
Fisheries and Oceans	-	162,617	172,509
Canada Mortgage and Housing Corporation	-	106,839	232,418
Other	416,281	3,541,964	3,352,940
	<hr/> 5,196,040	<hr/> <b>17,268,126</b>	<hr/> 17,623,225
<b>Expenses</b>			
Administration	-	2,152,202	1,147,482
Community Welfare	-	2,339,810	2,759,995
Operations & Maintenance	-	400,454	469,941
Education	-	7,316,116	8,063,339
Economic Development	-	753,924	611,138
Health Services	-	2,601,181	2,498,177
Social Housing	-	341,652	334,971
Natural Resource Management	-	100,863	75,873
Capital	-	755,768	742,467
	<hr/> -	<hr/> <b>16,761,970</b>	<hr/> 16,703,383
<b>Surplus for the year</b>	<b>\$ 5,196,040</b>	<b>\$ 506,156</b>	<b>\$ 919,842</b>

**Nuxalk Nation**  
**Exhibit D - Consolidated Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2015</b>	<b>2014</b>
<b>Operating activities</b>		
Cash receipts from various sources	\$ 16,852,204	\$ 18,939,378
Cash paid to employees and suppliers	<u>(14,817,125)</u>	<u>(17,430,126)</u>
<b>Cash flows from operating activities</b>	<b>2,035,079</b>	<b>1,509,252</b>
<b>Investing activities</b>		
Purchase of capital assets	(851,176)	(203,384)
Change in prepaid expenses	12,254	13,309
Change in capital asset equity	<u>(284,256)</u>	<u>50,084</u>
<b>Cash flows from investing activities</b>	<b>(1,123,178)</b>	<b>(139,991)</b>
<b>Financing activity</b>		
Repayment of long term debt	<u>(177,074)</u>	<u>(156,667)</u>
<b>Net increase in cash and cash equivalents</b>	<b>734,827</b>	<b>1,212,594</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>2,192,106</b>	<b>979,512</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,926,933</b>	<b>\$ 2,192,106</b>
 <b>Represented by:</b>		
Cash	\$ 2,525,920	\$ 1,838,555
Restricted cash	<u>401,013</u>	<u>353,551</u>
	<b>\$ 2,926,933</b>	<b>\$ 2,192,106</b>

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## Nuxalk Nation Summary of Significant Accounting Policies

**March 31, 2015**

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**Basis of Presentation**

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CPA Canadian Public Sector Accounting Handbook which encompasses the following principles.

**Reporting Entity and Principles**

Nuxalk Nation reporting entity includes Nuxalk Nation government and all related entities which are accountable to Nuxalk Nation and are either owned or controlled by the Nuxalk Nation.

The financial statements consolidate the assets, liabilities and results of operations for the following incorporated entities:

- Nuxalk Acwsalcma'slayc Academy of Learning Society
- Nuxalk Nation Property Management
- Nuxalk Nation Transition House Society

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

Business entities, which are owned or controlled by the Nuxalk Nation and which are not dependent on the Nation for their continuing operations, are included in the summary financial statements using the modified equity method. These include:

- Nuxalk Business Trust
- Nuxalk Development LP
- 0820770 B.C. Ltd.

**Financial Instruments**

The Nation recognizes and measures financial assets and financial liabilities on the consolidated statement of financial position when it becomes a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade date or settlement date basis. All financial instruments are measured at fair value on the initial recognition. Financial instruments are subsequently measured at amortized cost as the Nation has not entered into any derivative contracts and it does not hold any investments in equity instruments quoted on the active market. Since no financial instruments are measured at fair value after the initial recognition, a Statement of Remeasurement Gains and Losses has not been presented in these consolidated financial statements.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and bank overdrafts with maturities of three months or less.

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## Nuxalk Nation Summary of Significant Accounting Policies

**March 31, 2015**

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<b>Use of Estimates</b>	The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates included in these consolidated financial statements include the valuation of accounts receivable, accuracy of accounts payable and accrued liabilities, and calculation of deferred revenue.												
<b>Tangible Capital Assets</b>	<p>Property, equipment and infrastructure expenses are valued at acquisition cost and recorded in the Capital Fund.</p> <p>The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenses are also recorded as an addition to the assets of the Capital Fund with a corresponding increase in equity in tangible capital assets.</p>												
<b>Amortization</b>	<p>Tangible capital assets recorded are amortized annually with a corresponding reduction in equity in tangible capital assets. Tangible capital assets are amortized over their expected useful lives on a declining balance basis at the following rates:</p> <table><tbody><tr><td>Automotive equipment</td><td>20%</td></tr><tr><td>Buildings</td><td>5%</td></tr><tr><td>Computer software</td><td>100%</td></tr><tr><td>Infrastructure</td><td>5%</td></tr><tr><td>Nation owned houses</td><td>5%</td></tr><tr><td>Office and furniture equipment</td><td>30%</td></tr></tbody></table> <p>In the year of acquisition, 50% of the normal amortization is recorded.</p> <p>Social housing assets acquired under Canada Mortgage and Housing Corporation (CMHC) subsidized housing programs are amortized at a rate equivalent to the annual principal reduction in the related long term debt, as required for CMHC reporting purposes.</p>	Automotive equipment	20%	Buildings	5%	Computer software	100%	Infrastructure	5%	Nation owned houses	5%	Office and furniture equipment	30%
Automotive equipment	20%												
Buildings	5%												
Computer software	100%												
Infrastructure	5%												
Nation owned houses	5%												
Office and furniture equipment	30%												

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## Nuxalk Nation Summary of Significant Accounting Policies

**March 31, 2015**

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<b>Revenue Recognition</b>	<p>Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements, which relates to a subsequent fiscal period, is reflected as deferred revenue in the year of receipt and classified as such on the consolidated statement of financial position.</p> <p>Rental revenue is recognized when a tenant commences occupancy and rent is due. Nuxalk Nation retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.</p> <p>All other revenue is recognized in the period in which the events that give rise to the revenue occurs.</p>
<b>Government Transfers</b>	Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period which events give rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
<b>Rents Receivable</b>	CMHC does not allow or recognize bad debts recorded in the financial statements of Social Housing and will not subsidize rental arrears.
<b>Ottawa Trust Fund</b>	Nuxalk Nation uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized in the revenue of the Nation upon withdrawal from the Ottawa Trust Fund.
<b>Deferred Revenue</b>	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of financial activity in the year in which it is used for the specified purpose.
<b>Impairment of Long-lived Assets</b>	In the event that facts and circumstances indicate that the Nation's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The Nation considers that no circumstances exist that would require such an evaluation.

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## **Nuxalk Nation** **Summary of Significant Accounting Policies**

**March 31, 2015**

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<b>Leased Assets</b>	Leases are entered into that transfer substantially all of the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset, and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Nation, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.
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# Nuxalk Nation

## Notes to Consolidated Financial Statements

**March 31, 2015**

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### 1. Cash

	2015	2014
Operating	\$ 1,212,471	\$ 622,661
Nuxalk Acwsalcmlaslayc Academy of Learning Society	1,213,254	1,154,230
Nuxalk Nation Transition House Society	11,848	23,500
Social Housing	88,347	38,164
	<hr/>	<hr/>
	\$ 2,525,920	\$ 1,838,555

Cash is held in Canadian Chartered Banks and a Credit Union, both earn interest at the current prevailing rates for business operating accounts.

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### 2. Restricted Cash

	2015	2014
Ottawa Trust revenue	\$ 343,735	\$ 331,481
Ottawa Trust capital	10,079	10,079
Social Housing replacement reserve	47,199	11,991
	<hr/>	<hr/>
	\$ 401,013	\$ 353,551

The Ottawa trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. These funds are restricted in their use. The Nation is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Nation and Nation members. The expenditures of capital funds requires the consent of Aboriginal Affairs and Northern Development Canada and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

In order to provide for replacement of major capital items, the terms of the operating agreements between Nuxalk Nation and CMHC provide that a replacement reserve fund be established by annual charges to operations in the amount prescribed by the agreements. Under these agreements, Nuxalk Nation is required to segregate annual transfers to reserve funds and interest earned on these funds from other cash. As at March 31, 2015, the replacement reserve and subsidy surplus reserve was underfunded by \$490,128 (2014 - \$521,260).

# Nuxalk Nation

## Notes to Consolidated Financial Statements

**March 31, 2015**

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### 3. Accounts Receivable

Accounts receivable by program area is summarized as follows:

	2015	2014
Operating		
Accounts receivable - trade	\$ 742,598	\$ 224,326
AANDC receivable	- 38,389	38,389
	<u>742,598</u>	262,715
Nuxalk Acwsalcmaclayc Academy of Learning Society	84,972	-
Social Housing	23,313	7,237
	<u>\$ 850,883</u>	<u>\$ 269,952</u>

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### 4. Accounts Payable

	2015	2014
Operating		
Nuxalk Acwsalcmaclayc Academy of Learning Society	\$ 888,406	\$ 851,539
Nuxalk Nation Transition House Society	213,231	22,992
Social Housing	45,535	56,554
	<u>4,048</u>	15,994
	<u>\$ 1,151,220</u>	<u>\$ 947,079</u>

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### 5. Deferred Revenue

Deferred revenue represents funding received for programs/projects that were not completed during the year.

	2015	2014
Operating - AANDC		
Tuition Agreements	\$ 319,205	\$ -
Basic Needs	54,671	-
Child Out of Parental Home	23,063	-
Special Services	9,458	-
Special Needs	8,265	-
Band Employee Benefits	2,000	-
	<u>416,662</u>	-
Operating Fund - Other		
Other	49,375	-
Nuxalk Acwsalcmaclayc Academy of Learning Society	<u>131,348</u>	<u>104,345</u>
	<u>\$ 597,385</u>	<u>\$ 104,345</u>

**Nuxalk Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2015**

**6. Long Term Debt**

	<b>2015</b>	<b>2014</b>
<u>Operating</u>		
Capital lease payable in monthly installments of \$1,260, agreement expires April 2016	\$ 14,205	\$ 26,830
<u>Social Housing</u>		
Mortgage repayable in monthly installments of \$11,071, including interest at 4.49% per annum maturing June 2015	33,157	161,911
Mortgage repayable in monthly installments of \$1,381, including interest at 3.95% per annum maturing September 2018	119,905	131,585
Mortgage repayable in monthly installments of \$2,839, including interest at 3.95% per annum maturing September 2018	<u>246,473</u>	<u>270,488</u>
	<u>413,740</u>	<u>590,814</u>
Less current portion	<u>84,199</u>	<u>106,157</u>
	<u><u>\$ 329,541</u></u>	<u><u>\$ 484,657</u></u>

The estimated principal repayments on the above long term debt required over the next four years are as follows:

2016	\$ 84,199
2017	38,319
2018	39,861
2019	<u>251,361</u>
	<u><u>\$ 413,740</u></u>

**Nuxalk Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2015**

**7. Tangible Capital Assets**

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Artwork	\$ 134,000	\$ -	\$ 134,000	\$ -
Equipment				
Operations	4,577,503	4,134,479	4,371,773	4,039,106
NNTHS equipment	66,158	45,633	66,157	45,633
NNTHS automotive	32,989	30,272	32,989	30,272
NAALS equipment	67,329	18,854	67,329	6,734
NAALS automotive	205,854	48,125	106,000	21,175
Buildings				
Operations	22,976,729	6,607,343	22,506,403	5,760,068
Land improvements				
Infrastructure	10,744,633	4,890,462	10,669,369	4,584,328
NNTHS House Improvements	32,949	27,026	32,949	27,026
	<b>38,838,144</b>	<b>15,802,194</b>	<b>37,986,969</b>	<b>14,514,342</b>
Social Housing	2,528,991	1,850,859	2,528,990	1,686,410
	<b>\$ 41,367,135</b>	<b>\$ 17,653,053</b>	<b>\$ 40,515,959</b>	<b>\$ 16,200,752</b>
Net book value		<b>\$ 23,714,082</b>		<b>\$ 24,315,207</b>

**Nuxalk Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2015**

**7. Tangible Capital Assets (continued)**

	2015				
	Artwork	Equipment	Buildings	Improvements	Land
Cost, beginning of year	\$ 134,000	\$ 4,644,248	\$ 25,035,393	\$ 10,702,318	\$ 40,515,959
Additions	-	305,586	470,326	75,265	851,177
<b>Cost, end of year</b>	<b>\$ 134,000</b>	<b>\$ 4,949,834</b>	<b>\$ 25,505,719</b>	<b>\$ 10,777,583</b>	<b>\$ 41,367,135</b>
Accumulated amortization, beginning of year	\$ -	\$ 4,142,920	\$ 7,446,478	\$ 4,611,354	\$ 16,200,752
Amortization	-	134,443	1,011,723	306,134	1,452,300
<b>Accumulated amortization, end of year</b>	<b>\$ -</b>	<b>\$ 4,277,363</b>	<b>\$ 8,458,201</b>	<b>\$ 4,917,488</b>	<b>\$ 17,653,052</b>
<b>Net carrying amount, end of year</b>	<b>\$ 134,000</b>	<b>\$ 672,471</b>	<b>\$ 17,047,518</b>	<b>\$ 5,860,095</b>	<b>\$ 23,714,082</b>

**Nuxalk Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2015**

**7. Tangible Capital Assets (continued)**

	2014			
	Artwork	Equipment	Buildings	Land
				Improvements
Cost, beginning of year	\$ -	\$ 4,464,109	\$ 24,985,318	\$ 10,702,318
Additions	134,000	180,139	50,075	-
Cost, end of year	<u>\$ 134,000</u>	<u>\$ 4,644,248</u>	<u>\$ 25,035,393</u>	<u>\$ 10,702,318</u>
Accumulated amortization, beginning of year	\$ -	\$ 4,000,500	\$ 6,601,396	\$ 4,128,828
Amortization	- 142,420	845,082	482,526	1,470,028
Accumulated amortization, end of year	<u>\$ -</u>	<u>\$ 4,142,920</u>	<u>\$ 7,446,478</u>	<u>\$ 4,611,354</u>
Net carrying amount, end of year	<u><u>\$ 134,000</u></u>	<u><u>\$ 501,328</u></u>	<u><u>\$ 17,588,915</u></u>	<u><u>\$ 6,090,964</u></u>
				<u><u>\$ 24,315,207</u></u>

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## Nuxalk Nation

### Notes to Consolidated Financial Statements

**March 31, 2015**

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#### 8. Accumulated Surplus

	2015	2014
Operating surplus	\$ 1,571,718	\$ 985,714
Equity in capital assets	<u>22,773,752</u>	23,271,212
Equity in capital NAALS	206,204	145,420
Equity in capital NNTHS	38,271	38,271
Equity in Ottawa trust	353,814	341,560
Contributed surplus	278,596	278,596
Nuxalk Forestry	<u>1,535,346</u>	1,394,428
	<hr/> <u>\$ 26,757,701</u>	\$ 26,455,201

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#### 9. Investments in Nation business entities

The Nation has investments in the following entities:

	2015	2014
Nuxalk Business Trust - 100%	\$ 524,072	\$ 875,455
Nuxalk Development LP - 99.9%	69,489	-
Nuxalk Development Corporation (advance)	672,091	674,453
0820770 B.C. Ltd. - 100%	<u>403,370</u>	-
	<hr/> <u>\$ 1,669,022</u>	\$ 1,549,908

# **Nuxalk Nation**

## **Notes to Consolidated Financial Statements**

**March 31, 2015**

### **9. Investment in Nation business entities (continued)**

For partnerships, equity is comprised of partnership advances, less drawings, plus the partner's proportional share of net income. Nuxalk Nation has investments in the following entities:

<b><u>Limited Partnerships</u></b>	<b>Assets</b>	<b>Liabilities</b>	<b>Capital</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Total Earnings (Loss)</b>	<b>Total Earnings (Loss)</b>
Nuxalk Development LP	232,939	50,977	181,962	69,581	22	69,559	48,759

The following period of financial information was used to determine the amount of the investment in Nation's business activities:

#### **Limited Partnerships**

Nuxalk Business Trust  
Nuxalk Development Limited Partnership

April 1, 2014 - March 31, 2015  
April 1, 2014 - March 31, 2015

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## Nuxalk Nation

### Notes to Consolidated Financial Statements

March 31, 2015

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#### **10. Comparative Figures**

Certain comparative amounts presented in the consolidated financial statements have been restated to conform to current year's presentation.

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#### **11. Federal Assistance Payments**

The 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 through March 31, 2015 was \$86,839 (2014 - \$89,138). This assistance will continue, providing the Nation is not in default of the agreement.

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#### **12. Commitments**

Nuxalk Nation is required to make the following future minimum lease payments on operating lease obligations over the next four years:

2016	\$ 29,502
2017	22,026
2018	16,686
2019	3,448
	<hr/>
	\$ 71,662

**Nuxalk Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2015**

**12. Expenses by Object**

	<b>2015</b>	<b>2014</b>
Advertising	\$ -	\$ 4,760
Amortization	1,452,300	1,470,028
Automotive	41,639	-
Bad debts	-	19,476
Bank charges	31,868	54,388
Donations	11,091	17,412
Capital Fund repairs and maintenance	755,769	742,467
Contract services	577,523	387,749
Equipment rental	52,035	45,301
Honoraria	72,518	121,692
Insurance	553,724	380,970
Materials and supplies	461,348	723,801
Office and miscellaneous	123,451	93,563
Patient transportation	-	1,134,055
Professional fees	103,108	470,122
Program expenses	2,938,322	2,113,795
Repairs and maintenance	269,295	230,365
Rent	-	124,593
Replacement reserve	22,428	22,428
Salaries and benefits	5,823,306	5,922,745
Student allowance and transportation	359,863	421,039
Telephone	135,382	101,845
Travel and accommodation	177,824	248,778
Training	2,243,934	1,573,752
Utilities	555,242	278,259
	<hr/> <b>\$ 16,761,970</b>	<hr/> <b>\$ 16,703,383</b>

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# Nuxalk Nation

## Notes to Consolidated Financial Statements

**March 31, 2015**

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### **13. Segment Disclosure**

Nuxalk Nation is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

#### **Administration**

This item relates to the revenues and expenses that relate to the operations of Nuxalk Nation itself and cannot be directly attributed to a specific segment.

#### **Community Welfare**

This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

#### **Operations and Maintenance**

This service area provides services relating to the development, maintenance and service of Nuxalk Nation's assets, infrastructure and common property.

#### **Education**

This service area provides educational services through the operations of an on-reserve school, post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of Nuxalk Nation's Members.

#### **Economic Development**

This service area provides for the development of economic opportunities to the Members.

#### **Health Services**

This service area provides for health-related services and programs to the Members.

#### **Social Housing**

This service area provides for social housing to the Members.

#### **Natural Resource Management**

This service area includes exploration of natural resources and development of natural resource revenues.

#### **Capital**

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

**Nuxalk Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2015**

**13. Segment Disclosure**  
**(continued)**

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Housing	Social Management	Natural Resource	Capital	Total
<b>Revenue</b>											
AANDC	\$ 771,353	\$ 2,189,346	\$ 430,240	\$ 6,458,081	\$ 40,000	\$ -	\$ -	\$ -	\$ 591,120	\$ 10,480,140	
Other	501,917	370,344	2,075	1,447,664	1,118,749	2,776,443	224,059	153,811	192,924	6,787,986	
	<u>1,273,270</u>	<u>2,559,690</u>	<u>432,315</u>	<u>7,905,745</u>	<u>1,158,749</u>	<u>2,776,443</u>	<u>224,059</u>	<u>153,811</u>	<u>192,924</u>	<u>6,787,986</u>	
<b>Expenses</b>											
Payroll	449,651	588,403	79,217	3,408,446	444,288	713,450	-	-	79,026	60,825	5,823,306
Other	453,769	1,751,407	321,237	3,868,600	309,636	1,887,731	177,204	21,837	694,943	9,486,364	
Amortization	1,248,782	-	-	39,070	-	-	164,448	-	-	1,452,300	
	<u>2,152,202</u>	<u>2,339,810</u>	<u>400,454</u>	<u>7,316,116</u>	<u>753,924</u>	<u>2,601,181</u>	<u>341,652</u>	<u>100,863</u>	<u>755,768</u>	<u>16,761,970</u>	
<b>Surplus (deficit)</b>	<b>\$ (878,932)</b>	<b>\$ (219,880)</b>	<b>\$ 31,861</b>	<b>\$ 589,529</b>	<b>\$ 404,825</b>	<b>\$ 175,262</b>	<b>\$ (117,593)</b>	<b>\$ 52,948</b>	<b>\$ 28,276</b>	<b>\$ 506,156</b>	

	Administration	Community Welfare	Operations & Maintenance	Education	Economic Development	Health Services	Housing	Social Management	Natural Resource	Capital	Total
<b>Revenue</b>											
AANDC	\$ 617,388	\$ 2,666,742	\$ 372,908	\$ 7,196,784	\$ -	\$ -	\$ -	\$ -	\$ 565,688	\$ 11,419,510	
Other	461,421	1,132,031	2,838	1,584,556	448,503	2,187,812	196,616	102,500	87,438	6,203,715	
	<u>1,078,809</u>	<u>3,798,773</u>	<u>375,746</u>	<u>8,781,340</u>	<u>448,503</u>	<u>2,187,812</u>	<u>196,616</u>	<u>102,500</u>	<u>87,438</u>	<u>6,203,715</u>	
<b>Expenses</b>											
Payroll	538,470	601,313	139,207	3,686,696	217,809	676,501	-	62,749	-	5,922,745	
Other	609,012	2,149,575	330,734	4,376,643	393,329	1,821,676	178,304	13,124	742,467	10,614,864	
Amortization	-	9,107	-	-	-	156,667	-	-	-	165,774	
	<u>1,147,482</u>	<u>2,759,995</u>	<u>469,941</u>	<u>8,063,339</u>	<u>611,138</u>	<u>2,498,177</u>	<u>334,971</u>	<u>75,873</u>	<u>742,467</u>	<u>16,703,383</u>	
<b>Surplus (deficit)</b>	<b>\$ (68,673)</b>	<b>\$ 1,038,778</b>	<b>\$ (94,195)</b>	<b>\$ 718,001</b>	<b>\$ (162,635)</b>	<b>\$ (310,365)</b>	<b>\$ (138,355)</b>	<b>\$ 26,627</b>	<b>\$ (89,341)</b>	<b>\$ 919,842</b>	