

LHEIDLI T'ENNEH BAND
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

LHEIDLI T'ENNEH BAND
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Lheidli T'enneh Band are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

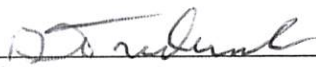
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.


The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

The external auditors, Bursey Buryn, Chartered Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Lheidli T'enneh Band and meet when required.


On behalf of Lheidli T'enneh Band:



Chief



Councillor



Councillor

INDEPENDENT AUDITORS' REPORT

To the Members of Lheidli T'enneh Band:

We have audited the accompanying consolidated financial statements of Lheidli T'enneh Band, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

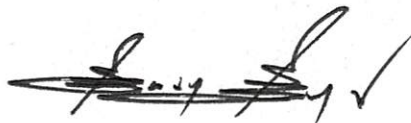
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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' judgement, including the assessment of the risk 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 audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Lheidli T'enneh Band as at March 31, 2015 and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.




Chartered Accountants
September 25, 2015
Prince George, British Columbia

LHEIDLI T'ENNEH BAND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015

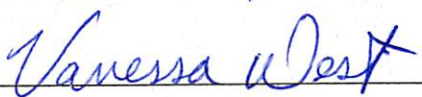
| | 2015 | (Note 18) 2014 |
|---|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Cash (Note 2) | \$ 996,634 | \$ 1,255,532 |
| Accounts receivable (Note 3) | 299,386 | 265,949 |
| Inventory (Note 4) | 29,237 | 17,125 |
| Restricted cash (Note 5) | 605,300 | 483,780 |
| Investments in government business enterprises (Note 6) | 7,764,365 | 6,306,656 |
| Ottawa trust assets (Note 7) | 2,108 | 2,086 |
| | <u>9,697,030</u> | <u>8,331,128</u> |
| LIABILITIES | | |
| Accounts payable and accrued liabilities (Note 8) | 437,681 | 280,866 |
| Loan payable (Note 9) | 227,544 | 228,024 |
| Long-term debt (Note 10) | 837,854 | 1,003,839 |
| Treaty loan (Note 11) | 6,343,525 | 6,343,525 |
| Replacement reserves (Note 5) | 381,357 | 362,166 |
| | <u>8,227,961</u> | <u>8,218,420</u> |
| NET FINANCIAL ASSETS | <u>1,469,069</u> | <u>112,708</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Note 12) | 3,784,660 | 3,988,171 |
| Prepaid assets | 75,009 | 67,736 |
| | <u>3,859,669</u> | <u>4,055,907</u> |
| ACCUMULATED SURPLUS | <u>\$ 5,328,738</u> | <u>\$ 4,168,615</u> |
| CONTINGENCIES (Note 13) | | |

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of Lheidli T'enneh Band:

 Chief

 Councillor

 Councillor

LHEIDLI T'ENNEH BAND
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2015

| | Budget 2015 | 2015 | (Note 18) 2014 |
|---|---------------------|---------------------|---------------------|
| REVENUE | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 978,612 | \$ 1,084,957 | \$ 1,161,104 |
| First Nations Health Authority | 172,746 | 172,746 | 157,529 |
| Canada Mortgage and Housing Corporation | 62,797 | 62,449 | 66,975 |
| Department of Fisheries and Oceans | 161,100 | 124,500 | 154,280 |
| Province of British Columbia | 246,725 | 1,040,748 | 648,069 |
| Aboriginal organizations | 131,395 | 135,463 | 101,710 |
| Interest, rent and other | 351,436 | 1,375,124 | 2,498,732 |
| Income from investments in government business enterprises | - | 1,429,125 | 1,620,643 |
| Own source | 560,000 | 807,724 | 548,245 |
| Donations | 20,000 | 442,795 | 413,906 |
| Administration fees | - | 50,218 | 76,495 |
| Ottawa trust funds | - | 993 | 80 |
| | <u>2,684,811</u> | <u>6,726,842</u> | <u>7,447,768</u> |
| EXPENDITURE | | | |
| Administration and government development | 1,059,160 | 1,366,845 | 1,688,328 |
| Economic development | 687,143 | 2,336,607 | 1,366,942 |
| Education | 213,959 | 306,786 | 330,024 |
| Employment and training | 72,017 | 71,861 | 80,803 |
| Health services | 172,746 | 173,396 | 144,205 |
| Housing | 182,076 | 243,276 | 231,750 |
| Public works operations and maintenance | 151,828 | 169,289 | 220,308 |
| Social and community services | 412,464 | 449,606 | 400,281 |
| Treaty claims and negotiations | 192,276 | 47,713 | 120,309 |
| Ottawa trust funds | - | 971 | 986 |
| Loss from investments in government business enterprises | - | 6,156 | 36,439 |
| Interest | 16,382 | 17,647 | 14,439 |
| Amortization | 84,124 | 274,785 | 220,292 |
| | <u>3,244,175</u> | <u>5,464,938</u> | <u>4,855,106</u> |
| OTHER GAIN | | | |
| Gain on disposal of tangible capital assets | - | - | 134,117 |
| ANNUAL SURPLUS | <u>\$ (559,364)</u> | <u>1,261,904</u> | <u>2,726,779</u> |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR | | <u>4,168,615</u> | <u>1,504,956</u> |
| RECOVERIES BY GOVERNMENT OF CANADA | | <u>(101,781)</u> | <u>(63,120)</u> |
| ACCUMULATED SURPLUS, END OF YEAR | | <u>\$ 5,328,738</u> | <u>\$ 4,168,615</u> |

The accompanying notes are an integral part of these consolidated financial statements.

LHEIDLI T'ENNEH BAND
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2015

| | 2015 | (Note 18) 2014 |
|---|----------------------------|---------------------------|
| Annual surplus | \$ 1,261,904 | \$ 2,726,779 |
| Recoveries by Government of Canada | <u>(101,781)</u> | <u>(63,120)</u> |
| | <u>1,160,123</u> | <u>2,663,659</u> |
| Acquisitions of tangible capital assets | (71,274) | (214,071) |
| Amortization | 274,785 | 220,292 |
| Gain on disposal of tangible capital assets | - | (134,117) |
| Proceeds on disposal of tangible capital assets | <u>-</u> | <u>148,236</u> |
| | <u>203,511</u> | <u>20,340</u> |
| Acquisition of prepaid assets | <u>(7,273)</u> | <u>(41,526)</u> |
| INCREASE IN NET FINANCIAL ASSETS | 1,356,361 | 2,642,473 |
| NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR | <u>112,708</u> | <u>(2,529,765)</u> |
| NET FINANCIAL ASSETS, END OF YEAR | <u>\$ 1,469,069</u> | <u>\$ 112,708</u> |

The accompanying notes are an integral part of these consolidated financial statements.

LHEIDLI T'ENNEH BAND
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2015

| | | (Note 18) |
|---|---------------------|---------------------|
| | 2015 | 2014 |
| OPERATING TRANSACTIONS | | |
| Annual surplus | \$ 1,261,904 | \$ 2,726,779 |
| Recoveries by Government of Canada | (101,781) | (63,120) |
| Items not involving cash | | |
| Gain on disposal of tangible capital assets | - | (134,117) |
| Amortization | 274,785 | 220,292 |
| Income - investments in government business enterprises | (1,429,125) | (1,620,643) |
| Loss - investments in government business enterprises | 6,156 | 36,439 |
| Ottawa trust assets | (22) | 906 |
| | <u>11,917</u> | <u>1,166,536</u> |
| Cash provided by (used in) operating activities | | |
| Accounts receivable | (33,437) | (49,015) |
| Inventory | (12,112) | (3,910) |
| Prepaid assets | (7,273) | (41,526) |
| Accounts payable and accrued liabilities | 156,815 | (210,390) |
| | <u>115,910</u> | <u>861,695</u> |
| CAPITAL TRANSACTIONS | | |
| Purchase of tangible capital assets | (71,274) | (214,071) |
| Proceeds on disposal of tangible capital assets | - | 148,236 |
| | <u>(71,274)</u> | <u>(65,835)</u> |
| FINANCING TRANSACTIONS | | |
| Proceeds of long-term debt | - | 12,045 |
| Repayment of loan payable | (480) | - |
| Repayment of long-term debt | (165,985) | (103,733) |
| | <u>(166,465)</u> | <u>(91,688)</u> |
| INVESTING TRANSACTIONS | | |
| Advances to government business enterprises | (34,740) | (279,641) |
| Advances from government business enterprises | - | 360,490 |
| Allocations to replacement reserve | 22,926 | 22,926 |
| Drawings from reserves | (3,735) | (15,060) |
| | <u>(15,549)</u> | <u>88,715</u> |
| (DECREASE) INCREASE DURING YEAR | <u>(137,378)</u> | <u>792,887</u> |
| CASH, BEGINNING OF YEAR | <u>1,739,312</u> | <u>946,425</u> |
| CASH, END OF YEAR | <u>\$ 1,601,934</u> | <u>\$ 1,739,312</u> |
| Cash is comprised as follows: | | |
| Cash | \$ 996,634 | \$ 1,255,532 |
| Restricted cash | <u>605,300</u> | <u>483,780</u> |
| | <u>\$ 1,601,934</u> | <u>\$ 1,739,312</u> |

The accompanying notes are an integral part of these consolidated financial statements.

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

Reporting Entity and Principles of Financial Reporting

The Lheidli T'enneh Band reporting entity includes the Lheidli T'enneh Band government and all related entities which are either owned or controlled by the Lheidli T'enneh Band.

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprises, which are included in these financial statements on a modified equity basis. Inter-entity balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Lheidli T'enneh Band's investment in the government business enterprises and their share of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprises that are different from those of Lheidli T'enneh Band.

The consolidated financial statements include the following controlled entities:

- Lheidli T'enneh Band CMHC Social Housing Program
- Lheidli T'enneh First Nation Negotiation Support Agreement

Government business enterprises, which are wholly-owned by Lheidli T'enneh Band and which are not dependent on the Band for their continuing operations, included in the consolidated financial statements using the modified equity method are as follows:

- Lheit Lit'en Development Corporation
- Tano T'enneh General Partner Corporation

Government business partnerships, which Lheidli T'enneh Band holds a limited partnership interest and which are not dependent on the Nation for their continuing operations, included in the consolidated financial statements using the modified equity method are as follows:

- Tano T'enneh Limited Partnership (99.99% interest)
- FN (PTP) Group Limited Partnership (0.06% interest)

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Restricted Cash

Cash and cash equivalents include cash on hand, cash on deposit net of cheques issued and outstanding at the reporting date, and short-term deposits with maturity dates of less than 90 days.

Inventory

Inventory consists of tobacco products available for sale and is valued at the lower of cost and net realizable value using the average cost method.

Tangible Capital Assets and Amortization

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Transfers of tangible capital assets from related parties are recorded at carrying value.

Tangible capital assets are amortized using the straight-line method over the estimated useful life of the asset as follows:

| | |
|--------------------------------|-------------|
| Automotive equipment | 5 years |
| Boats and fisheries equipment | 10 years |
| Buildings | 30 years |
| Computer equipment | 3 years |
| Fuel Tanks | 20 years |
| Furniture and office equipment | 8 years |
| Heavy duty equipment | 10 years |
| Housing | 30 years |
| Infrastructure | 10-50 years |
| Land improvements | 50 years |
| Signage | 25 years |
| Website | 10 years |

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Tangible Capital Assets and Amortization, continued

In the year of acquisition, 50% of the annual amortization is expensed. Assets under construction are not amortized until the asset is available to be put into service.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

Amortization - Social Housing

Social Housing assets acquired under CMHC sponsored housing programs are amortized at a rate equivalent to the annual principal reduction in related long-term debt, as required for CMHC reporting purposes.

Revenue and Expenditure

Revenue and expenditure are recorded using the accrual basis of accounting. Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. Gains are recognized when realized. Items not practically measurable until cash is received are accounted for at that time.

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Funding Recoveries and Reimbursements

Funding received from federal government sources in the form of conditional transfer payments are subject to recovery, by the Crown, of unexpended balances or unallowable expenses. The Crown may also reimburse over expenditures upon determining adherence to the terms and conditions of payment for a specified purpose. Recoveries and reimbursements are accounted for when they are paid or payable or received or receivable.

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the reporting period. Significant areas requiring the use of administration estimates relate to the impairment of assets, rates for amortization, collectability of accounts receivable, and valuation of inventory. Actual results could differ from these estimates.

Liability for Contaminated Sites

During the year the Band adopted new accounting standard PS 3260 - Liability for Contaminated Sites, effective for years beginning on or after April 1, 2014. The standard requires the Band to identify contaminated sites which meet the requirements of the standard, specifically those sites where:

- i. An environmental standard exists
- ii. Contamination exceeds the environmental standards
- iii. The Band is directly responsible or accepts responsibility
- iv. It is expected that future economic benefits will be given up and
- v. A reasonable estimate of the amount of those benefits can be made

The Band has elected to apply this standard prospectively. As at the date of these financial statements no contaminated sites have been identified that meet the criteria outline in the standard.

2. CASH

Lheidli T'enneh Band has a demand revolving credit facility agreement with the Royal Bank of Canada for \$300,000 bearing interest at prime plus 1.5% per annum. This facility revolves in increments of \$25,000 and is secured by a general security agreement with a fixed charge over tangible capital assets. At March 31, 2015 the full \$300,000 was available.

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

3. ACCOUNTS RECEIVABLE

| | | | (Note 18) |
|--|-------------------|-----------|-----------------|
| | 2015 | | 2014 |
| Government: | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 43,191 | \$ | - |
| Canada Mortgage and Housing Corporation | 5,416 | | 5,234 |
| First Nations Health Authority | 6,000 | | - |
| Federal Government | 4,320 | | 57,422 |
| Canada Revenue Agency - GST | <u>13,270</u> | | <u>49,585</u> |
| | 72,197 | | 112,241 |
| Trade | 227,189 | | 156,535 |
| Lheidli T'enneh Band members | - | | 2,962 |
| Other | <u>-</u> | | <u>11,419</u> |
| | 299,386 | | 283,157 |
| Less: allowance for doubtful accounts | <u>-</u> | | <u>(17,208)</u> |
| | <u>\$ 299,386</u> | <u>\$</u> | <u>265,949</u> |

4. INVENTORY

| | | | (Note 18) |
|------------------|------------------|-----------|---------------|
| | 2015 | | 2014 |
| Tobacco products | <u>\$ 29,237</u> | <u>\$</u> | <u>17,125</u> |

5. RESTRICTED CASH AND REPLACEMENT RESERVES

| | | | (Note 18) |
|--------------------------------|-------------------|-----------|----------------|
| | 2015 | | 2014 |
| Restricted cash consists of: | | | |
| Replacement reserve 19-359-983 | \$ 201,849 | \$ | 191,012 |
| Replacement reserve 17-496-258 | 179,508 | | 171,154 |
| Treaty Negotiations | <u>223,943</u> | | <u>121,614</u> |
| | <u>\$ 605,300</u> | <u>\$</u> | <u>483,780</u> |

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

5. RESTRICTED CASH AND REPLACEMENT RESERVE, continued

Replacement Reserve 19-359-983

Under the terms of the Agreement with CMHC, the Replacement Reserve account is to be credited in the amount of \$15,000 annually plus interest; \$6,000 for Account 19-359-983-001, \$6,000 for Account 19-359-983-002, and \$3,000 for Account 19-359-983-003. 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. Withdrawals are credited to interest first and then principal. At year end the program has fully funded reserves of \$201,849 (2014 - \$191,012).

Replacement Reserve 17-496-258

Under the terms of the Agreement with CMHC, the Replacement Reserve account is to be credited in the amount of \$7,926 annually plus interest. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal. At year end the program has fully funded reserves of \$179,508 (2014 - \$171,154).

Treaty Negotiations

Treaty Negotiations cash is restricted for expenditures as related to Lheidli T'enneh Band First Nation Negotiations Support Agreement for carrying out treaty negotiations with Canada and British Columbia.

6. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (Appendix A)

| | | (Note 18) |
|--------------------------------------|---------------------|---------------------|
| | 2015 | 2014 |
| Lheit Lit'en Development Corporation | | |
| Shares | \$ 3 | \$ 3 |
| Advances to | 2,125,858 | 2,109,152 |
| Deficit | (744,716) | (785,817) |
| | <u>1,381,145</u> | <u>1,323,338</u> |
| Balance forward | <u>\$ 1,381,145</u> | <u>\$ 1,323,338</u> |

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

6. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (Appendix A)

| | | (Note 18) |
|--|---------------------|---------------------|
| | 2015 | 2014 |
| Balance forward | <u>\$ 1,381,145</u> | <u>\$ 1,323,338</u> |
| Tano T'enneh General Partner Corporation | | |
| Shares | 20 | 20 |
| Deficit | <u>(6,156)</u> | <u>-</u> |
| | <u>(6,136)</u> | <u>20</u> |
| Tano T'enneh Limited Partnership | | |
| Partnership units | 2,229,142 | 2,229,142 |
| Advances to | 184,162 | 166,128 |
| Surplus | <u>3,976,051</u> | <u>2,588,027</u> |
| | <u>6,389,355</u> | <u>4,983,297</u> |
| FN (PTP) Group Limited Partnership. | | |
| Shares | <u>1</u> | <u>1</u> |
| | <u>\$ 7,764,365</u> | <u>\$ 6,306,656</u> |

Investments are held on behalf of the Band's membership by specified band members under a trust agreement. Condensed financial information for the government business enterprises is presented in Appendix A to the financial statements.

7. OTTAWA TRUST ASSETS

| | | | | (Note 18) |
|-------------------------------------|--------------|-----------------|-----------------|-----------------|
| | Revenue | Capital | Total 2015 | Total 2014 |
| <u>Ottawa Trust</u> | | | | |
| Balance, beginning of year | \$ - | \$ 2,086 | \$ 2,086 | \$ 2,992 |
| Interest | 62 | - | 62 | 80 |
| B.C. Special | 931 | - | 931 | - |
| Transfer to Lheidli T'enneh Band | <u>(971)</u> | <u>-</u> | <u>(971)</u> | <u>(986)</u> |
| Balance, end of year | <u>\$ 22</u> | <u>\$ 2,086</u> | <u>\$ 2,108</u> | <u>\$ 2,086</u> |

The Ottawa Trust Accounts arise from monies from capital or revenue sources outlined in Section 62 of the "Indian Act". These funds are held in trust in the consolidated revenue fund of the Government of Canada and are subject to audit by the office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the "Indian Act".

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | | | (Note 18) |
|--|-------------------|-----------|----------------|
| | 2015 | | 2014 |
| Trade payables and accrued liabilities | \$ 367,762 | \$ | 204,220 |
| Wages and government remittances payable | 64,607 | | 73,491 |
| Other | 5,312 | | 3,155 |
| | <u>\$ 437,681</u> | <u>\$</u> | <u>280,866</u> |

9. LOAN PAYABLE

Loan payable from Chunzoolh Forest Products Ltd., a company owned 100% by government business enterprise Lheit Lit'en Development Corporation, is non-interest bearing, unsecured with no specific terms of repayment.

10. LONG-TERM DEBT

| | | | (Note 18) |
|--|-------------------|-----------|----------------|
| | 2015 | | 2014 |
| Mortgage, repayable in monthly instalments of \$2,567 including interest at 2.57% per annum, secured by a Government of Canada ministerial guarantee, due to mature August 1, 2024 | \$ 257,294 | \$ | 282,002 |
| Mortgage repayable in monthly instalments of \$1,054 including interest at 1.39% per annum, secured by a Government of Canada ministerial guarantee, maturing August 1, 2027 | 144,147 | | 154,896 |
| Mortgage repayable in monthly instalments of \$2,080 including interest at 1.65% per annum, secured by a Government of Canada ministerial guarantee, maturing May 1, 2017 | 53,100 | | 77,086 |
| Mortgage repayable in monthly instalments of \$1,124 including interest at 2.90% per annum secured by a Government of Canada ministerial guarantee, maturing on November 2, 2019 | <u>44,776</u> | | <u>56,684</u> |
| Balance forward | <u>\$ 499,317</u> | <u>\$</u> | <u>570,668</u> |

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

10. LONG-TERM DEBT, continued

| | 2015 | (Note 18) 2014 |
|---|-------------------|---------------------|
| Balance forward | \$ 499,317 | \$ 570,668 |
| Mortgage repayable in monthly instalments of \$1,934 including interest at 3.24% per annum, secured by a Government of Canada ministerial guarantee, maturing April 1, 2016 | 24,768 | 46,597 |
| Mortgage repayable in monthly instalments of \$2,554 including interest at 2.54% per annum, secured by a Government of Canada ministerial guarantee, maturing on December 1, 2023 | 236,100 | 260,890 |
| Loan repayable in monthly instalments of \$975 including interest at 3.50% per annum, secured by a vehicle with a net book value of \$35,822, maturing on January 9, 2019 | 17,072 | 50,568 |
| Loan repayable in monthly instalments of \$1,410 including interest at 3.50% per annum, secured by a vehicle with a net book value of \$58,726, maturing on January 9, 2019 | <u>60,597</u> | <u>75,116</u> |
| | <u>\$ 837,854</u> | <u>\$ 1,003,839</u> |

Principal repayments due in each of the next five years are scheduled as follows:

| | |
|------|-------------------|
| 2016 | \$ 146,470 |
| 2017 | 122,709 |
| 2018 | 96,466 |
| 2019 | 84,858 |
| 2020 | <u>65,504</u> |
| | <u>\$ 516,007</u> |

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

11. TREATY LOAN

Treaty loan is an Aboriginal Affairs and Northern Development Canada promissory note representing advances for negotiations with the British Columbia Treaty Commission. Repayment provisions for these loans are outlined in Sections 13.0 and 14.0 of the Negotiation Support Agreement. The loan is a non-interest bearing and will be repayable over a 10 year period after the signing of the Final Agreement between Lheidli T'enneh Band, the Government of Canada and the Government of British Columbia.

12. TANGIBLE CAPITAL ASSETS (Appendix B)

| | | | | (Note 18) |
|--------------------------------|---------------------|-----------------------------|---------------------|---------------------|
| | | | | 2015 |
| | | | | 2014 |
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Automotive equipment | \$ 162,953 | \$ 58,645 | \$ 104,308 | \$ 126,262 |
| Boats and fisheries equipment | 106,372 | 80,272 | 26,100 | 33,127 |
| Buildings | 245,614 | 144,433 | 101,181 | 109,368 |
| Computer equipment | 96,181 | 83,244 | 12,937 | 8,751 |
| Fuel tanks | 207,268 | 119,179 | 88,089 | 98,452 |
| Furniture and office equipment | 70,531 | 45,715 | 24,816 | 38,607 |
| Heavy duty equipment | 130,551 | 107,658 | 22,893 | 5,733 |
| Housing | 2,364,434 | 1,672,556 | 691,878 | 786,606 |
| Infrastructure | 2,495,312 | 1,383,662 | 1,111,650 | 1,189,353 |
| Land improvements | 271,310 | 86,557 | 184,753 | 170,311 |
| Signage | 40,724 | 17,919 | 22,805 | 26,878 |
| Website | 14,718 | 6,476 | 8,242 | 9,715 |
| | 6,205,968 | 3,806,316 | 2,399,652 | 2,603,163 |
| Capital projects in progress | 1,385,008 | - | 1,385,008 | 1,385,008 |
| | <u>\$ 7,590,976</u> | <u>\$ 3,806,316</u> | <u>\$ 3,784,660</u> | <u>\$ 3,988,171</u> |

13. SUPPLEMENTAL CASH FLOW INFORMATION

| | | | | (Note 18) |
|---------------|--|--|-----------|-----------|
| | | | | 2015 |
| | | | | 2014 |
| Interest paid | | | \$ 17,647 | \$ 14,439 |

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

14. CONTINGENCIES

Lheidli T'enneh Band has entered into contribution agreements with various government agencies. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

The Band may have future silviculture commitments on government business enterprises owned forest licenses if future costs exceed current estimates. The amount of the liability, if any, is not determinable at this time.

In addition, in the normal course of its operations, Lheidli T'enneh Band becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements.

15. RECONCILIATION OF AANDC FUNDING AGREEMENT REVENUE

Pursuant to the guidelines required by the Aboriginal Affairs and Northern Development Canada 2014 - 2015 Financial Reporting Requirements, the following reconciliation has been prepared:

| | |
|---|----------------------------|
| Recipient total as per 2014/2015 AANDC funding confirmation | \$ 1,084,957 |
| Variance | <u>-</u> |
| AANDC revenue as per consolidated statement of operations | <u>\$ 1,084,957</u> |

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

16. GOVERNMENT TRANSFERS

| | | | (Note 18) | | | |
|---|---------------------|----------------|---------------------|---------------------|----------------|---------------------|
| | | | 2015 | | 2014 | |
| | <u>Operating</u> | <u>Capital</u> | <u>Total</u> | <u>Operating</u> | <u>Capital</u> | <u>Total</u> |
| Federal government transfers: | | | | | | |
| Aboriginal Affairs and Northern Development | | | | | | |
| Canada | \$ 1,084,957 | \$ - | \$ 1,084,957 | \$ 1,161,104 | \$ - | \$ 1,161,104 |
| First Nations Health Authority | | - | | | - | |
| Health Canada | 172,746 | - | 172,746 | 157,529 | - | 157,529 |
| Other | 229,249 | - | 229,249 | 221,255 | - | 221,255 |
| | 1,486,952 | - | 1,486,952 | 1,539,888 | - | 1,539,888 |
| Provincial government transfers | 1,040,748 | - | 1,040,748 | 648,069 | - | 648,069 |
| | <u>\$ 2,527,700</u> | <u>\$ -</u> | <u>\$ 2,527,700</u> | <u>\$ 2,187,957</u> | <u>\$ -</u> | <u>\$ 2,187,957</u> |

17. RISK MANAGEMENT

The Band has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include the following:

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Band has a history of dealing with its funding agencies and customer base and does not believe it is exposed to an unusual level of credit risk with respect to its accounts receivable.

The Band maintains its cash and deposits with a federally regulated Canadian financial institution and a Credit Union, and thus has not experienced any change in risk exposure.

Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Band's long-term debt is at fixed rates of interest therefore, a change in market interest rates has no impact to cash flows required to service this debt. The Band maintains an operating line of credit subject to floating rates of interest, a change in the variable rate can impact cash flow to service the debt when such debt is outstanding. There has been no change to the risk exposure from 2014 and there is expected to be no substantive change in the next fiscal period.

LHEIDLI T'ENNEH BAND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015

18. COMPARATIVE FIGURES

The prior year's comparative figures were audited by another firm of Chartered Professional Accountants. The prior year figures have been reclassified for the current year presentation and are presented for comparative purposes only.

19. SEGMENT DISCLOSURE

Lheidli T'enneh Band provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function and department. For each segment separately reported, the segment revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies in Note 1. The segments and services provided are as follows:

Administration and Government Development - provides governance initiatives and training through the activities of Chief and Council and administration of other activities relating to program delivery, membership and finance;

Economic Development - manages the development of economic opportunities from the land and natural resources for the Band and its entities;

Education - provides elementary and secondary education instructional services and provides financial support to post secondary students;

Employment and Training - provides training and work opportunities for Band members to improve their job skills and participate effectively in the labour market;

Health Services - provides a variety of health care programs, services and support to Band members;

Housing - provides housing and services to Band members;

Public Works Operations and Maintenance - manages community and facilities operations and maintenance including capital projects, municipal services, water and waste water operations, roads, fire protection, and maintenance of community buildings;

Social and Community Services - provides programs and services for the social benefit and welfare of Band members;

Treaty Claims and Negotiations - manages the land claim and negotiation process with Canada and the Province of British Columbia;

Trust Funds - provides programs and services for the social, economic and capital needs of Band members;

Government Business Enterprises - economic development for benefit of Band members;

Tangible Capital Assets - provides for capital infrastructure development for Band members.

**LHEIDLIT'ENNEH BAND
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2015**

| | ADMINISTRATION AND GOVERNMENT DEVELOPMENT | | | ECONOMIC DEVELOPMENT | | | EDUCATION | | | EMPLOYMENT AND TRAINING | | | HEALTH SERVICES | | |
|---|--|--------------|--------------|----------------------|------------|--------------|-------------|------------|-------------|-------------------------|------------|----------|-----------------|----------|-----------|
| | Budget | 2015 | 2014 | Budget | 2015 | 2014 | Budget | 2015 | 2014 | Budget | 2015 | 2014 | Budget | 2015 | 2014 |
| REVENUE | | | | | | | | | | | | | | | |
| AANDC | \$ 237,758 | \$ 237,758 | \$ 235,038 | \$ 266,514 | \$ 366,514 | \$ 387,429 | \$ 192,542 | \$ 192,542 | \$ 194,627 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| First Nations Health Authority | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 157,529 |
| Canada Mortgage and Housing Corporation | - | - | - | - | - | - | - | - | - | - | - | - | - | 172,746 | - |
| Department of Fisheries and Oceans | - | - | - | 161,100 | 124,500 | 154,280 | - | - | - | - | - | - | - | - | - |
| Province of British Columbia | - | - | - | - | 793,962 | 415,725 | - | - | - | - | - | - | - | - | - |
| Aboriginal organization | - | - | - | 58,378 | 58,379 | - | 5,000 | 5,000 | - | 68,017 | 72,084 | 80,110 | - | - | - |
| Donations | - | 21,995 | 362,006 | - | 407,750 | 20,000 | - | - | - | - | - | - | - | - | - |
| Administration fees | - | 50,218 | 76,495 | - | - | - | - | 5,500 | - | - | - | - | - | - | - |
| Interest, rent and other | - | 831,510 | 890,804 | 7,750 | 988,382 | 1,607,920 | 6,292 | 96,932 | 124,285 | 4,000 | - | - | - | - | - |
| Ottawa trust funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Income from government business enterprises | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL REVENUE | 897,658 | 1,141,481 | 1,564,343 | 493,742 | 2,739,487 | 2,585,354 | 203,834 | 299,974 | 318,912 | 72,017 | 72,084 | 80,110 | 172,746 | 172,746 | 157,529 |
| EXPENDITURE | | | | | | | | | | | | | | | |
| Administration and government development | - | - | - | 19,508 | 13,045 | 169,659 | - | - | - | - | - | - | 1,657 | 1,656 | 15,753 |
| Amortization and interest | - | 1,384 | 1,709 | 336 | - | - | - | - | - | - | - | - | - | - | - |
| Contract | - | - | 22,259 | 191,677 | 292,785 | 155,089 | 1,000 | - | 1,417 | 500 | - | 600 | - | - | - |
| Honoraria | 86,000 | 84,244 | 91,408 | 6,600 | 7,425 | 12,117 | 150 | 1,400 | 1,962 | - | - | - | 500 | 250 | - |
| Professional fees | 30,000 | 39,424 | 32,666 | - | 206,453 | 215,110 | - | - | - | - | - | - | - | 2,865 | 104 |
| Rent | - | - | 96,303 | - | 72,722 | - | 800 | - | 320 | - | - | - | - | - | - |
| Repairs and maintenance | 3,500 | 21,582 | 13,440 | 4,150 | 33,485 | 25,629 | - | - | - | 6,278 | 168 | 2,276 | - | - | - |
| Supplies | 22,300 | 25,567 | 44,407 | 2,900 | 38,234 | 46,193 | 4,000 | 7,416 | 8,022 | 4,500 | 10,202 | 3,552 | 31,744 | 32,375 | 13,531 |
| Telephone and utilities | 42,000 | 30,481 | 39,413 | 3,255 | 39,448 | 15,096 | - | 660 | 460 | - | 319 | 300 | 3,208 | 2,590 | 1,171 |
| Travel and accommodations | 32,000 | 32,204 | 50,111 | 10,315 | 61,544 | 55,230 | 5,500 | 11,325 | 10,434 | 3,000 | 7,889 | 2,426 | 12,350 | 2,399 | 6,818 |
| Wages and benefits | 302,160 | 244,281 | 217,822 | 291,708 | 637,249 | 555,400 | 33,650 | 47,835 | 24,962 | 23,122 | 23,897 | 36,864 | 69,344 | 71,956 | 73,037 |
| Workshops and training | 12,500 | 93,830 | 500,583 | 31,650 | 99,810 | 44,881 | 1,792 | 5,908 | 6,400 | 28,255 | 13,808 | 31,979 | 4,500 | 4,769 | 558 |
| Other | 528,700 | 795,232 | 579,916 | 125,380 | 834,407 | 92,538 | 167,067 | 232,242 | 275,827 | 6,362 | 15,608 | 2,806 | 49,443 | 54,536 | 33,233 |
| Loss from government business enterprises | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURE | 1,059,160 | 1,368,229 | 1,690,037 | 687,479 | 2,336,607 | 1,366,942 | 213,959 | 306,786 | 330,024 | 72,017 | 71,861 | 80,803 | 172,746 | 173,396 | 144,205 |
| EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE) | (161,502) | (226,748) | (125,694) | (193,737) | 402,880 | 1,218,412 | (10,125) | (6,812) | (11,112) | - | 223 | (693) | - | (650) | 13,324 |
| TRANSFER TO TANGIBLE CAPITAL ASSETS | - | (21,373) | - | - | (44,888) | - | - | - | - | - | (2,231) | - | - | - | - |
| | \$ (161,502) | \$ (249,121) | \$ (125,694) | \$ (193,737) | \$ 357,992 | \$ 1,218,412 | \$ (10,125) | \$ (6,812) | \$ (11,112) | \$ - | \$ (2,008) | \$ (693) | \$ - | \$ (650) | \$ 13,324 |

LHEIDLI T'ENNEH BAND
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2015

| | HOUSING | | | PUBLIC WORKS OPERATIONS AND MAINTENANCE | | | SOCIAL AND COMMUNITY SERVICES | | | TREATY CLAIMS AND NEGOTIATIONS | | | TRUST FUNDS | | |
|---|-------------|--------------|------------|--|-------------|-------------|----------------------------------|--------------|------------|-----------------------------------|------------|-----------|-------------|-------|----------|
| | Budget | 2015 | 2014 | Budget | 2015 | 2014 | Budget | 2015 | 2014 | Budget | 2015 | 2014 | Budget | 2015 | 2014 |
| | | | | | | | | | | | | | | | |
| REVENUE | | | | | | | | | | | | | | | |
| AANDC | | | | | | | | | | | | | | | |
| First Nations Health Authority | | - \$ | - \$ | 74,234 \$ | 78,161 \$ | 61,010 \$ | 207,564 \$ | 209,982 \$ | 283,000 \$ | \$ | - \$ | - \$ | - \$ | - \$ | - \$ |
| Canada Mortgage and Housing Corporation | 62,797 | 62,449 | 66,975 | - | - | - | - | - | - | - | - | - | - | - | - |
| Department of Fisheries and Oceans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Province of British Columbia | - | - | - | - | - | - | 96,725 | 96,786 | 96,724 | 150,000 | 150,000 | 135,620 | - | - | - |
| Aboriginal organizations | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Donations | - | - | - | - | - | 10,000 | 20,000 | 7,550 | 21,900 | - | - | - | - | - | - |
| Administration fees | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest, rent and other | 147,900 | 163,346 | 403,220 | 77,594 | 75,783 | 94,635 | 8,000 | 15,924 | 58,005 | - | - | - | - | - | - |
| Ottawa trust funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Income from government business enterprises | - | - | - | - | - | - | - | - | - | - | - | - | - | 993 | 80 |
| TOTAL REVENUE | 210,697 | 225,795 | 470,195 | 151,828 | 153,944 | 165,645 | 332,289 | 330,242 | 481,229 | 150,000 | 150,000 | 135,620 | - | 993 | 80 |
| EXPENDITURE | | | | | | | | | | | | | | | |
| Administration and government development | - | 6,000 | 989 | - | - | - | 9,672 | 9,672 | 16,972 | - | - | - | - | - | 971 |
| Amortization and interest | 100,170 | 100,249 | 125,952 | - | - | - | - | - | - | - | - | - | - | - | - |
| Contract | - | 1,238 | 4,700 | - | 1,271 | 1,568 | - | - | - | 17,776 | - | 38,541 | - | - | - |
| Honoraria | - | - | - | - | - | - | - | 650 | 150 | - | - | 2,100 | - | - | - |
| Professional fees | - | 11,400 | 5,450 | - | - | 5,695 | - | - | - | - | 14,850 | 4,250 | - | - | 986 |
| Rent | - | - | - | - | - | 391 | - | - | 1,587 | - | - | - | - | - | - |
| Repairs and maintenance | 29,000 | 59,410 | 44,674 | 60,000 | 59,281 | 55,907 | 3,550 | 8,510 | 11,820 | - | - | - | - | - | - |
| Supplies | - | 4,617 | - | 4,262 | 5,123 | 3,038 | 6,300 | 8,988 | 10,044 | - | - | - | - | - | - |
| Telephone and utilities | - | 2,988 | 4,074 | 19,692 | 11,168 | 6,082 | 4,500 | 15,376 | 17,919 | - | - | - | - | - | - |
| Travel and accommodations | - | 55 | 21 | 1,000 | 887 | 725 | 14,000 | 10,087 | 12,706 | - | - | 1,798 | - | - | - |
| Wages and benefits | 110,650 | 115,075 | 87,692 | 42,280 | 61,996 | 73,772 | 128,205 | 130,812 | 92,641 | 65,000 | - | 40,474 | - | - | - |
| Workshops and training | - | - | - | - | - | - | 21,230 | 10,178 | 15,551 | - | - | - | - | - | - |
| Other | 42,426 | 42,493 | 84,150 | 24,594 | 29,563 | 73,130 | 225,007 | 255,333 | 220,891 | 109,500 | 32,863 | 33,146 | - | - | - |
| Loss from government business enterprises | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| EXCESS REVENUE OVER EXPENDITURE | 282,246 | 343,525 | 357,702 | 151,828 | 169,289 | 220,308 | 412,464 | 449,606 | 400,281 | 192,276 | 47,713 | 120,309 | - | 971 | 986 |
| (EXPENDITURE OVER REVENUE) | (71,549) | (117,730) | 112,493 | - | (15,345) | (54,663) | (80,175) | (119,364) | 80,948 | (42,276) | 102,287 | 15,311 | - | 22 | (906) |
| TRANSFER TO TANGIBLE CAPITAL ASSETS | - | - | - | - | (1,782) | - | - | - | - | - | - | - | - | - | - |
| | \$ (71,549) | \$ (117,730) | \$ 112,493 | \$ - | \$ (17,127) | \$ (54,663) | \$ (80,175) | \$ (119,364) | \$ 80,948 | \$ (42,276) | \$ 102,287 | \$ 15,311 | \$ - | \$ 22 | \$ (906) |

L'HEIDI TENNEH BAND
SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2015

| | COMMERCIAL ENTERPRISES | | | TANGIBLE CAPITAL ASSETS | | | TOTAL BEFORE ADJUSTMENTS | | | CONSOLIDATION ADJUSTMENTS | | | CONSOLIDATED TOTALS | | | (Note 18) |
|---|------------------------|--------------|--------------|-------------------------|------|-----------|--------------------------|--------------|--------------|---------------------------|--------------|-----------|---------------------|--------------|--------------|-----------|
| | Budget | 2015 | 2014 | Budget | 2015 | 2014 | Budget | 2015 | 2014 | Budget | 2015 | 2014 | Budget | 2015 | 2014 | |
| REVENUE | | | | | | | | | | | | | | | | |
| AANDC | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 978,612 | \$ 1,084,957 | \$ 1,161,104 | \$ - | \$ - | \$ - | \$ 978,612 | \$ 1,084,957 | \$ 1,161,104 | |
| First Nations Health Authority | - | - | - | - | - | - | 172,746 | 172,746 | 157,529 | - | - | - | 172,746 | 172,746 | 157,529 | |
| Canada Mortgage and Housing Corporation | - | - | - | - | - | - | 62,797 | 62,449 | 66,975 | - | - | - | 62,797 | 62,449 | 66,975 | |
| Department of Fisheries and Oceans | - | - | - | - | - | - | 161,100 | 124,500 | 154,280 | - | - | - | 161,100 | 124,500 | 154,280 | |
| Province of British Columbia | - | - | - | - | - | - | 246,725 | 1,040,748 | 648,069 | - | - | - | 246,725 | 1,040,748 | 648,069 | |
| Aboriginal organizations | - | - | - | - | - | - | 131,395 | 135,463 | 101,710 | - | - | - | 131,395 | 135,463 | 101,710 | |
| Donations | - | - | - | - | - | - | 20,000 | 442,795 | 413,906 | - | - | - | 20,000 | 442,795 | 413,906 | |
| Administration fees | - | - | - | - | - | - | - | 50,218 | 76,495 | - | - | - | - | 50,218 | 76,495 | |
| Interest, rent and other | - | 10,971 | 2,225 | - | - | - | 911,436 | 2,182,848 | 3,181,094 | - | - | - | 911,436 | 2,182,848 | 3,181,094 | |
| Ottawa trust funds | - | - | - | - | - | - | - | 993 | 80 | - | - | - | - | 993 | 80 | |
| Income from government business enterprises | - | 1,429,125 | 1,620,643 | - | - | - | - | 1,429,125 | 1,620,643 | - | - | - | - | 1,429,125 | 1,620,643 | |
| TOTAL REVENUE | - | 1,440,096 | 1,622,868 | - | - | - | 2,684,811 | 6,726,842 | 7,581,885 | - | - | - | 2,684,811 | 6,726,842 | 7,581,885 | |
| EXPENDITURE | | | | | | | | | | | | | | | | |
| Administration and government development | - | - | - | - | - | - | 30,837 | 31,344 | 203,373 | - | - | - | 30,837 | 31,344 | 203,373 | |
| Amortization and interest | - | - | - | - | - | 151,983 | 100,506 | 101,633 | 279,644 | - | 190,799 | (44,913) | 100,506 | 292,432 | 234,731 | |
| Contract | - | - | - | - | - | 10,709 | 210,953 | 295,294 | 234,883 | - | - | (10,709) | 210,953 | 295,294 | 224,174 | |
| Honoraria | - | - | - | - | - | - | 93,250 | 93,969 | 107,737 | - | - | - | 93,250 | 93,969 | 107,737 | |
| Professional fees | - | - | - | - | - | - | 30,000 | 274,992 | 264,261 | - | - | - | 30,000 | 274,992 | 264,261 | |
| Rent | - | - | - | - | - | - | 800 | 72,722 | 98,601 | - | - | - | 800 | 72,722 | 98,601 | |
| Repairs and maintenance | - | - | - | - | - | 140 | 106,478 | 182,436 | 154,106 | - | - | (140) | 106,478 | 182,436 | 153,966 | |
| Supplies | - | - | - | - | - | - | 76,006 | 132,522 | 128,787 | - | - | - | 76,006 | 132,522 | 128,787 | |
| Telephone and utilities | - | - | - | - | - | - | 72,655 | 103,030 | 84,515 | - | - | - | 72,655 | 103,030 | 84,515 | |
| Travel and accommodations | - | - | - | - | - | - | 78,165 | 126,360 | 140,269 | - | - | - | 78,165 | 126,360 | 140,269 | |
| Wages and benefits | - | - | - | - | - | - | 1,066,119 | 1,333,101 | 1,182,664 | - | - | - | 1,066,119 | 1,333,101 | 1,182,664 | |
| Workshops and training | - | - | - | - | - | - | 99,927 | 228,303 | 599,952 | - | - | - | 99,927 | 228,303 | 599,952 | |
| Other | - | - | - | - | - | - | 1,278,479 | 2,292,277 | 1,395,637 | - | - | - | 1,278,479 | 2,292,277 | 1,395,637 | |
| Loss from government business enterprises | - | 6,156 | 36,439 | - | - | - | - | 6,156 | 36,439 | - | - | - | - | 6,156 | 36,439 | |
| EXCESS REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE) | - | 6,156 | 36,439 | - | - | 162,832 | 3,244,175 | 5,274,139 | 4,910,868 | - | 190,799 | (55,762) | 3,244,175 | 5,464,938 | 4,855,106 | |
| TRANSFER TO TANGIBLE CAPITAL ASSETS | - | 1,433,940 | 1,586,429 | - | - | (162,832) | (559,364) | 1,452,703 | 2,671,017 | - | (190,799) | 55,762 | (559,364) | 1,261,904 | 2,726,779 | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | \$ - | \$ 1,433,940 | \$ 1,586,429 | \$ - | \$ - | \$ 71,274 | \$ (559,364) | \$ 1,452,703 | \$ 2,671,017 | \$ - | \$ (190,799) | \$ 55,762 | \$ (559,364) | \$ 1,261,904 | \$ 2,726,779 | |

LHEIDLII T'ENNEH BAND
GOVERNMENT BUSINESS ENTERPRISES
CONDENSED FINANCIAL INFORMATION
YEAR ENDED MARCH 31, 2015

APPENDIX A

| | Lheit Lit'en Development Corporation | Tano T'enneh General Partner Corporation | Tano T'enneh Limited Partnership | FN (PTP) Group Limited Partnership | Total 2015 | (Note 18) Total 2014 |
|-------------------------------------|--|---|--|--|---------------------|----------------------------|
| Assets | | | | | | |
| Financial Assets | \$ 264,935 | \$ 1,364 | \$ 3,140,080 | \$ 550,737 | \$ 3,957,116 | \$ 2,216,170 |
| Tangible Capital Assets | 3,144 | - | 41,546 | - | 44,690 | - |
| Other Assets | 2,092,653 | - | 376,845 | - | 2,469,498 | 2,336,397 |
| Total Assets | \$ 2,360,732 | \$ 1,364 | \$ 3,558,471 | \$ 550,737 | \$ 6,471,304 | \$ 4,552,567 |
| Liabilities | | | | | | |
| Debt | \$ 357,606 | \$ 2,000 | \$ 24,836 | \$ 608,174 | \$ 992,616 | \$ 1,110,359 |
| Equity (Deficit) | - | - | 310,318 | 1 | 310,319 | 145,808 |
| | (744,713) | (6,136) | 6,205,592 | (57,438) | 5,397,305 | 4,031,328 |
| Total Liabilities and Equity | \$ (387,107) | \$ (4,136) | \$ 6,540,746 | \$ 550,737 | \$ 6,700,240 | \$ 5,287,495 |
| Related Party Loans | \$ 2,747,839 | \$ 5,500 | \$ (2,982,275) | \$ - | \$ (228,936) | \$ (734,928) |
| Intercompany Loans | | | | | | |
| Lheidli T'enneh Band Advances | \$ 621,981 | \$ 5,500 | \$ (3,088,769) | \$ - | \$ (2,461,288) | \$ (2,849,551) |
| | 2,125,858 | - | 106,494 | - | 2,232,352 | 2,160,661 |
| Related Party Loans | \$ 2,747,839 | \$ 5,500 | \$ (2,982,275) | \$ - | \$ (228,936) | \$ (688,890) |
| Revenue | \$ 51,045 | \$ 55 | \$ 1,616,800 | \$ 1,537,522 | \$ 3,205,422 | \$ 8,448,206 |
| Expenses | | | | | | |
| Amortization | 8,597 | 6,211 | 228,637 | 1,320,910 | 1,564,355 | 912,817 |
| Interest | 1,347 | - | - | - | 1,347 | 43,925 |
| | - | - | - | - | - | 103,733 |
| Total Expenses | 9,944 | 6,211 | 228,637 | 1,320,910 | 1,565,702 | 1,060,475 |
| Income (Loss) | \$ 41,101 | \$ (6,156) | \$ 1,388,163 | \$ 216,612 | \$ 1,639,720 | \$ 7,387,731 |
| Lheidli T'enneh Band's Share | \$ 41,101 | \$ (6,156) | \$ 1,388,024 | \$ - | \$ 1,422,969 | \$ 1,994,669 |

**LHEIDLI T'ENNEH BAND
TANGIBLE CAPITAL ASSETS
YEAR ENDED MARCH 31, 2015**

APPENDIX B

| | COST | | | ACCUMULATED AMORTIZATION | | | | NET BOOK VALUE | |
|--------------------------------|-----------------|-----------|-----------|--------------------------|-----------------|--------------|-----------|---------------------|----------------|
| | Opening Balance | Additions | Disposals | Balance End of Year | Opening Balance | Amortization | Disposals | Balance End of Year | (Note 18) 2014 |
| | | | | | | | | | 2015 |
| Automotive equipment | \$ 155,953 | \$ 7,000 | \$ - | \$ 162,953 | \$ 29,691 | \$ 28,954 | \$ - | \$ 58,645 | \$ 104,308 |
| Boats and fisheries equipment | 106,372 | - | - | 106,372 | 73,245 | 7,027 | - | 80,272 | 26,100 |
| Buildings | 245,614 | - | - | 245,614 | 136,246 | 8,187 | - | 144,433 | 101,181 |
| Computer equipment | 80,176 | 16,005 | - | 96,181 | 71,425 | 11,819 | - | 83,244 | 12,937 |
| Fuel tanks | 207,268 | - | - | 207,268 | 108,816 | 10,363 | - | 119,179 | 88,089 |
| Furniture and office equipment | 61,932 | 8,599 | - | 70,531 | 23,325 | 22,390 | - | 45,715 | 24,816 |
| Heavy duty equipment | 110,749 | 19,802 | - | 130,551 | 105,016 | 2,642 | - | 107,658 | 22,893 |
| Housing | 2,364,434 | - | - | 2,364,434 | 1,577,828 | 94,728 | - | 1,672,556 | 691,878 |
| Infrastructure | 2,495,312 | - | - | 2,495,312 | 1,305,959 | 77,703 | - | 1,383,662 | 1,111,650 |
| Land improvements | 251,442 | 19,868 | - | 271,310 | 81,131 | 5,426 | - | 86,557 | 184,753 |
| Signage | 40,724 | - | - | 40,724 | 13,846 | 4,073 | - | 17,919 | 22,805 |
| Website development | 14,718 | - | - | 14,718 | 5,003 | 1,473 | - | 6,476 | 8,242 |
| | 6,134,694 | 71,274 | - | 6,205,968 | 3,531,531 | 274,785 | - | 3,806,316 | 2,399,652 |
| Capital projects in progress | 1,385,008 | - | - | 1,385,008 | - | - | - | - | 1,385,008 |
| | \$ 7,519,702 | \$ 71,274 | \$ - | \$ 7,590,976 | \$ 3,531,531 | \$ 274,785 | \$ - | \$ 3,806,316 | \$ 3,784,660 |
| | | | | | | | | | \$ 3,988,171 |