

NADLEH WHUT'EN INDIAN BAND

FINANCIAL STATEMENTS

MARCH 31, 2014

NADLEH WHUT'EN INDIAN BAND

FINANCIAL STATEMENTS

MARCH 31, 2014

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NADLEH WHUT'EN INDIAN BAND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2014

The accompanying financial statements of Nadleh Whut'en Indian Band are the responsibility of management and have been approved by Chief and Council.

The 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 also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review the Nation's 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 process, auditing matters and financial reporting issues to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. (The Chief and Council take this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.)

Dean Mason & Company Inc., an independent firm of Chartered Accountants, conduct an independent examination in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Nadleh Whut'en Indian Band and meet when required.

On behalf of Nadleh Whut'en Indian Band:

Chief  Date July 29, 2014
Eileen George Date July 29, 2014
Councillor

Independent Auditor's Report

To the Members of
Nadleh Whut'en Indian Band

We have audited the accompanying financial statements of Nadleh Whut'en Indian Band, which comprise the statement of financial position as at March 31, 2014, and the statements of revenue, expenditures and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Prince George, British Columbia
July 25, 2014

Dean MacLean & Company Inc.
CHARTERED ACCOUNTANTS

NADLEH WHUTEN INDIAN BAND

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2014

	2014	2013	
			Restated
FINANCIAL ASSETS			
Cash (Note 3)	\$ 1,758,134	\$ 1,509,866	
Restricted cash (Note 3)	107,550	103,791	
Accounts receivable (Note 4)	253,697	432,301	
Member loans receivable (Note 5)	3,101	5,402	
Due from government (Note 6)	142,407	166,464	
Inventory held for resale (Note 7)	38,009	16,299	
Portfolio investments (Note 8)	96,687	89,991	
Investments and advances (Note 9)	30,057	-	
Trust Funds (Note 11)	712,234	661,719	
	3,141,876	2,985,833	
LIABILITIES			
Accounts payable (Note 12)	279,698	212,923	
Due to government (Note 13)	85,246	135,694	
Investments and advances (Note 9)	26,193	-	
Long-term debt (Note 14)	1,898,385	1,992,962	
Replacement reserves (Note 15)	131,625	127,190	
	2,421,147	2,468,769	
NET FINANCIAL ASSETS			
	720,729	517,064	
NON-FINANCIAL ASSETS			
Tangible Capital Assets (Note 16)	8,588,476	8,467,109	
Prepaid expenses	53,691	56,730	
	8,642,167	8,523,839	
ACCUMULATED SURPLUS			
	\$ 9,362,896	\$ 9,040,903	

Contingent Liabilities (Note 17)
 Economic Dependence (Note 18)
 Prior Period Adjustment (Note 19)

Approved on behalf of the Nadleh Whut'en Indian Band


 _____, Chief

 _____, Councillor

See accompanying notes to these financial statements.

NADLEH WHUT'EN INDIAN BAND

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
		Restated
EXCESS OF REVENUE OVER EXPENDITURES	\$ 321,993	\$ 452,689
Acquisition of tangible capital assets	(639,556)	(108,559)
Amortization of tangible capital assets	517,685	536,713
Loss on disposal of assets	504	-
	(121,367)	428,154
Acquisition of prepaid asset	(53,691)	(56,730)
Use of prepaid asset	56,730	16,552
	3,039	(40,178)
Increase in net financial assets	203,665	840,665
NET FINANCIAL ASSETS (NET DEBT) AT BEGINNING OF YEAR	517,064	(323,601)
NET FINANCIAL ASSETS AT END OF YEAR	\$ 720,729	\$ 517,064

See accompanying notes to these financial statements.

NADLEH WHUT'EN INDIAN BAND

STATEMENT OF REVENUE, EXPENDITURES AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2014

	2014 Budget	2014 Actual	2013 Actual	Restated
REVENUE				
Federal government transfers for operating (Note 20)	\$ 1,995,780	\$ 2,033,277	\$ 2,129,522	-
Federal government transfers for capital (Note 20)	75,000	75,000	-	-
Provincial government transfers for operating (Note 20)	35,669	35,188	42,354	529,147
Income from portfolio investments	-	20,088	-	-
Amounts earned and held in Trust by federal government (Note 11)	-	50,515	46,103	-
Other Aboriginal Groups	292,568	319,602	314,659	-
Band Generated	637,430	3,141,209	2,302,680	-
Administration fees and overhead	234,450	-	-	-
Other revenue	111,795	162,772	171,319	-
COST OF GOODS SOLD	3,382,692	5,837,651	5,535,784	
	-	1,216,099	1,236,676	
GROSS PROFIT	3,382,692	4,621,552	4,299,108	
EXPENDITURES				
Administration	613,248	702,018	766,906	-
Social Services	409,235	361,650	409,446	-
Education	1,002,641	902,191	846,260	-
Housing	-	215,418	270,806	-
Capital	-	478,098	412,167	-
Economic Development	503,664	1,517,751	1,013,427	-
Community Services	101,160	122,431	137,713	-
EXCESS OF REVENUE OVER EXPENDITURES	2,629,948	4,299,557	3,856,725	
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	752,743	321,993	452,689	
As previously stated	-	9,048,838	8,611,040	-
Prior period adjustment (Note 19)	-	(7,935)	(22,826)	-
As restated	-	9,040,903	8,588,214	-
ACCUMULATED SURPLUS AT END OF YEAR	\$ 752,743	\$ 9,362,896	\$ 9,040,903	

See accompanying notes to these financial statements.

NADLEH WHUT'EN INDIAN BAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
		Restated
Cash flows from OPERATING ACTIVITIES		
Items not affecting cash		
Amortization	\$ 517,685	\$ 536,713
Replacement reserve	15,036	(11,791)
Loss on disposal of tangible capital assets	(504)	-
	854,210	977,611
Change in non-cash operating working capital		
Accounts receivable	178,604	(17,512)
Due from government	24,057	(136,464)
Prepaid expenses	3,039	(40,178)
Inventory held for resale	(21,710)	-
Accounts payable	66,768	104,941
Due to government	(50,448)	(34,534)
	1,054,520	853,864
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(639,556)	(108,559)
FINANCING ACTIVITIES		
Due from/to related parties	26,193	-
Repayment of long term debt	(101,862)	(64,384)
	(75,669)	(64,384)
INVESTING ACTIVITIES		
Investment in Vanderhoof Co-op	(6,696)	(7,100)
Increase in Ottawa Trust Revenue	(50,515)	(46,103)
Advances (to) from related parties (net)	(30,057)	-
	(87,268)	(53,203)
INCREASE IN CASH		
	252,027	627,718
CASH, BEGINNING OF YEAR		
	1,613,657	985,939
CASH, END OF YEAR		
	\$ 1,865,684	\$ 1,613,657
REPRESENTED BY		
Cash	\$ 1,758,134	\$ 1,509,866
Restricted cash	107,550	103,791
	\$ 1,865,684	\$ 1,613,657

See accompanying notes to these financial statements.

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

DESCRIPTION OF OPERATIONS

Nadleh Whut'en Nation is a self-governed First Nations Band and operates on Nadleh Whut'en First Nation traditional territory, located at Fort Fraser, BC. Off-reserve aboriginal communities are also located throughout Northern BC with its head office located in Fort Fraser, BC.

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These 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 Accountants.

(b) Reporting Entity and Principles of Financial Reporting

These financial statements report only on the activities of the Nadleh Whut'en Indian Band. The First Nation reporting entity includes the First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

Incorporated business entities, which are owned by the First Nation, or are controlled by the First Nation Council, and which are not dependent on the First Nation for their continuing operations, are included in the financial statement using the modified equity method, whereby the investment was initially recorded at cost and adjusted to recognize the Nation's share of earning or losses, and reduced by distributions received. The business entity's accounting principles are not adjusted to conform to those of the Nation.

Incorporated business entities included in the financial statements are:

1. Chundo Yus Forestry General Partner Ltd.
2. Chundo Yus Mining General Partner Ltd.
3. Chundo Yus Real Estate General Partner Ltd.
4. Chundo Yus Forestry Limited Partnership
5. Chundo Yus Mining Limited Partnership
6. Chundo Yus Real Estate Limited Partnership

Investments in and advances to these companies, recorded on the modified equity basis less adjustments for any impairments in value which are considered to be permanent, are reported in the statement of financial position.

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

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Instruments

The entity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The entity subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash (restricted and unrestricted), accounts receivable, advances from related parties, portfolio investments and trust funds.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, reserves, advances to related parties and long term debt.

Fair value is determined by the price that is quoted in an active market. The most recent quote price becomes its new carrying value. When a quoted price in an active market is not available for an equity instrument that is a portfolio investment, it is measured at cost.

The Nation does not currently have any financial instruments that are measured at fair value.

(d) Cash

Cash include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(e) Inventory for resale

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value based on first in first out basis.

(f) Portfolio investments

Portfolio investments are recorded at amortized cost. The investment is increased by the Nation's contributions and/or the Nation's share of partnership income. The investment is reduced by any draws by the Nation.

(g) Trust funds

Trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust funds. The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible Capital Assets

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.

Capital assets are amortized using the straight-line method over their estimated useful lives as follows:

Automotive	25% Declining balance
Buildings/Engineered Structures	5% Declining balance
Computer equipment	55% Declining balance
Equipment	20% Declining balance

Social Housing assets acquired under Canada Mortgage and Housing Corporation ("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, and is recorded as a charge against social housing operations.

(i) Impairment of long-lived asset

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as excess of the carrying value of the asset over its fair value.

(j) Surplus recoveries and deficit funding

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

(k) Replacement reserve

The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Revenue Recognition

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue. Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of the tangible capital assets. Deferred revenue is recognized in revenue over time as the recognized criteria are met.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

Investment income reported on investments is recorded in the period earned.

Government transfers are recognized in the financial statements in the period in which events giving 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.

(m) 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 operations. Non-financial assets are acquired, constructed, or developed that do not provide resources to discharge existing liabilities but are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

(n) Net Financial Assets

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

(o) Use of Estimates

The preparation of financial statements in conformity with Public sector accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates relate to the impairment of assets, allowance for doubtful accounts and rates for amortization. Actual results could differ from those estimates.

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

2. CHANGES IN ACCOUNTING POLICIES

Portfolio Investments

The First Nation adopted Public Sector Accounting Board Standard PS 3041 Portfolio Investments as described in Note 1(f). The adoption of the accounting policy has been accounted for retrospectively, for comparative purposes, and does not materially affect the prior or future years financial statements.

Government Transfers

The First Nation adopted Public Sector Accounting Board Standard PS 3410 Government Transfers as described in Note 1(l). The adoption of the accounting policy has been applied retrospectively, for comparative purposes, and does not materially affect the prior or future years financial statements.

3. CASH

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Nadleh Whut'en Indian Band must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund. Cash is comprised of the following:

	2014	2013
Externally restricted		
Replacement Reserve	<u>\$ 107,550</u>	<u>\$ 103,791</u>
Unrestricted		
Operating	202,666	177,526
Social Housing	15,098	7,394
Premium Account	921,957	910,761
Property Tax	61,006	28,664
Nadleh Store	557,407	385,521
	<u>1,758,134</u>	<u>1,509,866</u>
	<u>\$ 1,865,684</u>	<u>\$ 1,613,657</u>

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

4. ACCOUNTS RECEIVABLE

	2014	2013
Due from members:		
Social Housing	\$ 243,935	\$ 262,324
Due from others:		
Services - non-members		
Other	290,920	184,699
	64,682	380,140
	599,537	827,163
Allowance for doubtful accounts	(345,840)	(394,862)
	\$ 253,697	\$ 432,301

5. MEMBER LOANS RECEIVABLE

	2014	2013
Loans to band members		
Less: Allowance for doubtful accounts	\$ 46,715	\$ 53,431
	(43,614)	(48,029)
	\$ 3,101	\$ 5,402

6. DUE FROM GOVERNMENT

	2014	2013
Federal government		
Aboriginal Affairs and Northern Development Canada	\$ 138,029	\$ 166,464
Provincial government	4,378	-
	\$ 142,407	\$ 166,464

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

7. INVENTORY HELD FOR RESALE

Inventory held for resale is classified as follows:

	2014	2013
Fuel and oil	\$ 9,771	\$ -
Cigarettes and tobacco	10,317	-
Groceries, confectionary	17,921	-
Inventory	<u>16,299</u>	<u>16,299</u>

Due to prior year inventory qualification, the classification of inventory items by type could not be determined.

8. PORTFOLIO INVESTMENTS

	2014	2013
Vanderhoof Co-operative Equity Investment Pacific Trail/First Nation General Partner Inc. (1 Common Share)	\$ 96,685	\$ 89,989
Pacific Trail/First Nation Group Limited Partnership (PTP - 780 Units)	-	1
FNLP GP2 Inc. (1 Common Share)	1	1
	<u>\$ 96,687</u>	<u>\$ 89,991</u>

During the current year, FNLP GP2 Inc. replaced FN (PTP) General Partner Inc. as the general partner of the partnership.

9. INVESTMENTS AND ADVANCES

	2014	2013
Chundo Yus Forestry General Partner Ltd. (100%)	\$ 20	\$ -
Chundo Yus Mining General Partner Ltd. (100%)	20	-
Chundo Yus Real Estate General Partner Ltd. (100%)	20	-
	<u>\$ 60</u>	<u>\$ -</u>

NADLEH WHUT'EN INDIAN BAND
NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

	Chundo Yus Forestry	Chundo Yus General	Chundo Yus Mining	Real Estate	General	2014 Total	2013 Total
Partner Ltd.	Partner Ltd.	Partner Ltd.	Partner Ltd.	Partner Ltd.	Partner Ltd.		
Investments	\$ 1	\$ 1	\$ 1	\$ 1	\$ 3	\$ -	

Advances from related parties	\$ 1,278	\$ 1,266	\$ 1,262	\$ 3,806	\$ -		
Total liabilities	1,278	1,266	1,262	3,806	-		
Share capital	20	20	20	60	-		
Deficit	(1,297)	(1,285)	(1,281)	(3,863)	-		
Total equity	(1,277)	(1,265)	(1,261)	(3,803)	-		
Total liabilities and equity	\$ 1	\$ 1	\$ 1	\$ 3	\$ -		

	Chundo Yus Forestry	Chundo Yus General	Chundo Yus Mining	Real Estate	General	2014 Total	2013 Total
Partner Ltd.	Partner Ltd.	Partner Ltd.	Partner Ltd.	Partner Ltd.	Partner Ltd.		
Professional fees	\$ 1,297	\$ 1,285	\$ 1,281	\$ 3,863	\$ -		

INVESTMENTS AND ADVANCES

	2014	2013
Chundo Yus Forestry Limited Partnership (99.99%)	\$ 9,999	\$ -
Chundo Yus Mining Limited Partnership (99.99%)	9,999	-
Chundo Yus Real Estate Limited Partnership (99.99%)	9,999	-
	\$ 29,997	\$ -

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

	Chundo Yus Forestry Limited Partnership	Chundo Yus Mining Limited Partnership	Chundo Yus Real Estate Limited Partnership	2014 Total	2013 Total
Advances to related parties	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ -

Partners' Surplus	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ -
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10. RELATED PARTY TRANSACTIONS

Transactions with related parties, if any, are in the normal course of business, and are for fair consideration that is mutually agreed upon by the related parties.

During the year, the Nadleh Whut'en Indian Band paid professional fees for its related parties as follows:

Chundo Yus Forestry General Partner Ltd. - \$1,297
Chundo Yus Mining General Partner Ltd. - \$1,285
Chundo Yus Real Estate General Partner Ltd. - \$1,281

11. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	March 31, 2013	Additions 2014	March 31, 2014	
Revenue	\$ 647,296	\$ 50,515	\$ 697,811	
Capital	\$ 14,423	\$ -	\$ 14,423	

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

NADLEH WHUT'EN INDIAN BAND**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2014****12. ACCOUNTS PAYABLE**

	2014	2013
Trade payables	\$ 189,692	\$ 110,335
Accrued payables	37,924	49,873
Wages Payable	29,543	27,167
Vacation payable	21,864	24,193
Other Payables	676	1,358
	<hr/>	<hr/>
	\$ 279,699	\$ 212,926

13. DUE TO GOVERNMENT

	2014	2013
Federal government	\$ 82,725	\$ 133,900
Provincial government	2,521	1,794
	<hr/>	<hr/>
	\$ 85,246	\$ 135,694

14. LONG-TERM DEBT

2014

2013

	2014	2013
Treaty Loan, Carrier Sekani Tribal Council Treaty negotiation loan, non-interest loan, non-interest bearing, repayable at the earlier of: a) the twelfth anniversary of the date of signing of the agreement in principle by the Carrier Sekani Tribal Council; b) the date on which a treaty is signed by the Carrier Sekani Tribal Council. A five year extension agreement was signed November 3, 2011.	\$ 1,407,264	\$ 1,407,264

CIBC mortgage, repayable in monthly installments of \$1,429, secured by buildings with a value of \$142,466 and a Government of Canada ministerial guarantee including interest at 4.35% per annum, maturing on July 1, 2014.	142,398	152,749
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CMHC mortgage, repayable in monthly installments of \$2,626, secured by buildings with a value of \$153,585 and a Government of Canada ministerial guarantee including interest at 2.84% per annum, maturing on June 1, 2019.	153,585	180,346
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CMHC mortgage, repayable in monthly installments of \$2,901, secured by buildings with a value of \$107,239 and a Government of Canada ministerial guarantee including interest at 1.71% per annum, maturing on May 1, 2017.	107,239	139,922
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NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

14. LONG-TERM DEBT, continued

	2014 \$	2013 \$
CMHC mortgage, repayable in monthly installments of \$2,272 secured by buildings with a value of \$87,899 and a Government of Canada ministerial guarantee including interest at 1.98% per annum, maturing on July 1, 2017.	87,899	112,681
	\$ 1,898,385	\$ 1,992,962

Principal portion of long-term debt due within the next five years:

2015	\$ 230,189
2016	88,415
2017	90,337
2018	43,900
2019 and thereafter	1,445,544
	\$ 1,898,385

15. REPLACEMENT RESERVE

Under the terms of an agreement with Canada Mortgage and Housing Corporation (CMHC), the Nation is required to make annual deposits of at least \$15,036 to a separate replacement reserve to cover the costs of replacing certain items contained in the rental housing projects financed by Canada Mortgage and Housing Corporation.

Balance, beginning of year	\$ 127,190	\$ 116,155
Contributions, required during the year	15,036	15,036
Withdrawals	(10,601)	(4,001)

As at March 31, 2014, the replacement reserve cash account was underfunded by \$24,075 (2013 - underfunded \$23,399)

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

16. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				2014 Net Book Value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
Buildings and infrastructure	\$ 16,247,235	\$ 624,661	\$ -	\$ 16,871,896	\$ 7,919,505	\$ 478,554	\$ -	\$ 8,398,059	\$ 8,473,837
Automotive equipment	624,150	-	(5,750)	618,400	534,319	22,331	(5,246)	551,404	66,996
Computer equipment	36,691	2,635	-	39,326	26,088	6,721	-	32,809	6,517
Equipment	329,781	12,259	-	342,040	290,836	10,078	-	300,914	41,126
	\$ 17,237,857	\$ 639,555	\$ (5,750)	\$ 17,871,662	\$ 8,770,748	\$ 517,684	\$ (5,246)	\$ 9,283,186	\$ 8,588,476

	Cost				Accumulated amortization				2013 Net Book Value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
Buildings and infrastructure	\$ 16,175,392	\$ 71,843	\$ -	\$ 16,247,235	\$ 7,425,315	\$ 494,190	\$ -	\$ 7,919,505	\$ 8,327,730
Automotive equipment	624,150	-	-	624,150	504,375	29,944	-	534,319	89,831
Computer equipment	22,230	14,461	-	36,691	21,602	4,486	-	26,088	10,603
Equipment	307,526	22,255	-	329,781	282,743	8,093	-	290,836	38,945
	\$ 17,129,298	\$ 108,559	\$ -	\$ 17,237,857	\$ 8,234,035	\$ 536,713	\$ -	\$ 8,770,748	\$ 8,467,109

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

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17. CONTINGENT LIABILITIES

Recoveries of Government Funding

Under the terms of agreement with Aboriginal Affairs and Northern Development Canada and other government agencies, certain surplus may be recoverable and so repayable to the government by the First Nation. The amount of the liability, if any, of the First Nation is not determinable at this time.

Carrier Sekani Treaty Funding Loan Agreement

The Carrier Sekani Tribal Council has signed an agreement on behalf of its member First Nations with Canada and British Columbia. The First Nation has signed a treaty loan agreement with the Carrier Sekani Tribal Council. The loan to the First Nation shall accrue interest at a rate established pursuant to the First Nation loan agreement between the Carrier Sekani Tribal Council with Canada and British Columbia. The amount of the liability for interest, if any, of the First Nation is not determinable at this time.

Ministerial Loan Agreement

The Nation is contingently liable for Ministerial Loan Guarantees in the amount of \$186,118 for loans to Individual First Nations Members.

Credit Facility

The band has a revolving demand facility in the amount of \$100,000 available by way of bank prime-based loans bearing interest at Prime plus 1.25% per annum.

18. ECONOMIC DEPENDENCE

Nadleh Whut'en Indian Band receives a significant portion of its revenue pursuant to a funding agreement with Aboriginal Affairs and Northern Development Canada. The Nation's ability to operate certain programs depends on the continuation of this funding.

NADLEH WHUT'EN INDIAN BAND
NOTES TO FINANCIAL STATEMENTS

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19. PRIOR PERIOD ADJUSTMENT

The comparative figures have been restated due to changes in amounts applicable to 2013 and prior years as identified by Canada Mortgage and Housing Corporation (CMHC). As a result, CMHC accumulated surplus as at March 31, 2012 has increased by \$107,866 and accumulated surplus as at March 31, 2013 has increased by \$135,722. Total accumulated surplus as at March 31, 2012 decreased by \$22,826 and accumulated surplus as at March 31, 2013 decreased by \$7,935. The Band Administration accumulated surplus as at March 31, 2012 decreased by \$127,248 and by \$140,213 as at March 31, 2013.

The following table outlines the impact of the changes to the 2012 and 2013 figures:

	As previously reported	Increase (Decrease)	Restated
2012 CMHC Accumulated Surplus	\$ (446,293)	\$ 107,866	\$ (338,427)
2013			
CMHC Subsidy	37,573	(229)	37,344
Band Contribution	-	12,965	12,965
P&I Payments	14,185	81,149	95,334
2013 CMHC Accumulated Surplus	(474,149)	135,722	(338,427)
2012 Band Administration Accumulated Surplus	(125,729)	(127,248)	(252,977)
2013 Band Administration Accumulated Surplus	-	(140,213)	(140,213)
2012 Total Accumulated Surplus	8,611,040	(22,826)	8,588,214
2013 Total Accumulated Surplus	9,048,834	(7,935)	9,040,903
	\$16,665,461	\$ 39,251	\$16,704,716

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

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20. GOVERNMENT TRANSFERS

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

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21. SEGMENT DISCLOSURE

	Administration		Social Services		Education		2014 Budget	2014 Actual	2013 Actual
	2014 Budget	2014 Actual	2013 Actual	2014 Budget	2014 Actual	2013 Actual			
Revenues									
Aboriginal Affairs & Northern Development Canada	\$ 219,921	\$ 221,413	\$ 218,205	\$ 345,723	\$ 345,723	\$ 339,134	\$ 1,039,504	\$ 1,039,504	\$ 1,021,107
Federal Government	-	-	-	-	-	-	66,925	66,925	66,925
Provincial Government	-	-	-	5,000	5,000	-	2,669	2,188	2,354
Other Aboriginal Groups	76,407	82,407	93,717	60,368	72,849	65,549	52,631	52,031	53,967
Band Generated	78,732	63,570	95,463	-	-	-	-	-	-
Other revenue	331,500	405,935	117,028	-	-	828	5,745	6,144	1,229
Total revenue	706,560	773,325	524,413	411,091	423,572	405,511	1,167,474	1,166,792	1,145,582
Expenses									
Amortization	-	9,623	7,859	-	1,428	1,786	-	5,214	6,437
Consulting fees	4,275	23,641	28,587	1,000	1,800	415	-	107,623	95,288
Materials and supplies	12,195	16,661	54,198	44,095	44,272	54,196	41,648	42,802	46,864
Social assistance and support	-	-	-	270,360	217,677	273,720	-	-	-
Travel	68,000	90,196	85,701	30,027	40,607	29,771	7,881	12,409	10,296
Tuitions and allowances	-	-	-	-	-	-	591,000	580,979	522,186
Wages and benefits	206,543	356,500	352,638	46,947	46,540	40,157	139,044	136,728	137,818
Other expenses	322,235	219,771	237,923	16,806	20,583	9,401	223,068	113,979	27,371
Total expenses	613,248	716,392	766,906	409,235	372,907	409,446	1,002,641	999,734	846,260
Annual surplus (deficit)	\$ 93,312	\$ 56,933	\$ (242,493)	\$ 1,856	\$ 50,665	\$ (3,935)	\$ 164,833	\$ 167,058	\$ 299,322

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

	2014 Budget	Housing 2014 Actual	2013 Actual	2014 Budget	Capital 2014 Actual	2013 Actual	2014 Budget	2014 Actual	2013 Actual
Revenues									
Aboriginal Affairs & Northern Development Canada	\$ -	\$ -	\$ 28,249	\$ 225,751	\$ 225,751	\$ 148,010	\$ 158,066	\$ 158,066	\$ 224,193
Federal Government	-	36,005	70,434	-	-	-	14,890	14,890	13,265
Provincial Government	-	-	-	-	-	-	28,000	28,000	40,000
Band Generated	-	104,079	123,834	-	-	-	558,698	2,964,271	2,081,234
Other revenue	-	21,503	-	-	-	-	9,000	20,240	596,824
Total revenue	-	161,587	222,517	225,751	225,751	148,010	768,654	3,185,467	2,955,516
Expenses									
Amortization	-	101,058	97,592	-	350,559	374,846	-	49,178	47,414
Consulting fees	-	-	-	-	89,051	-	132,500	384,016	282,074
Materials and supplies	-	15,121	39,620	-	37,986	36,186	3,500	109,239	66,389
Travel	-	1,342	1,339	-	-	-	40,500	100,911	65,325
Wages and benefits	-	1,145	1,125	-	-	-	91,825	526,023	289,467
Other expenses	-	96,752	131,130	-	502	1,135	235,339	1,668,047	1,499,434
Total expenses	-	215,418	270,806	-	478,098	412,167	503,664	2,837,414	2,250,103
Annual surplus (deficit)	\$ -	\$ (53,831)	\$ (48,289)	\$ 225,751	\$ (252,347)	\$ (264,157)	\$ 264,990	\$ 348,053	\$ 705,413

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

	Community Services			Consolidated totals		
	2014 Budget	2014 Actual	2013 Actual	2014 Budget	2014 Actual	2013 Actual
Revenues						
Aboriginal Affairs & Northern Development Canada	\$ -	\$ -	\$ -	\$ 1,988,965	\$ 1,990,457	\$ 1,978,898
Federal Government	-	-	-	81,815	117,820	150,624
Provincial Government	-	-	-	35,669	35,188	42,354
Other Aboriginal Groups	103,162	112,315	101,425	292,568	319,602	314,658
Band Generated	-	9,290	2,150	637,430	3,141,210	2,302,681
Other revenue	-	15,350	40,966	346,245	469,172	756,875
Total revenue	103,162	136,955	144,541	3,382,692	6,073,449	5,546,090
Expenses						
Amortization	-	623	779	-	517,683	536,713
Consulting fees	-	-	-	137,775	606,131	406,364
Materials and supplies	6,368	15,750	22,562	107,806	281,831	320,015
Social assistance and support	-	-	-	270,360	217,677	273,720
Travel	7,000	9,138	9,749	153,408	254,603	202,181
Tuitions and allowances	-	-	-	591,000	580,979	522,186
Wages and benefits	76,231	83,090	87,419	560,590	1,150,026	908,624
Other expenses	11,561	22,892	17,204	809,009	2,142,526	1,923,598
Total expenses	101,160	131,493	137,713	2,629,948	5,751,456	5,093,401
Annual surplus (deficit)	\$ 2,002 \$	5,462 \$	6,828 \$	752,744 \$	321,993 \$	452,689

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

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22. EXPENSES BY OBJECT

	2014 Budget	2014 Actual	2013 Actual
Administration fees	\$ 284,100	\$ 234,775	\$ 10,306
Amortization	-\$	517,685	536,713
Consulting fees	137,775	606,130	406,364
Contracted services	131,934	25,580	56,279
Costs of good sold	-\$	1,216,099	1,236,676
Donations	-\$	38,387	48,140
Honorarium	113,500	110,746	102,763
Insurance	11,112	45,248	40,365
Interest and bank charges	9,650	26,700	16,104
Interest on long-term debt	-\$	16,351	21,475
Materials and supplies	107,805	281,826	320,009
Office expenses	15,000	14,367	26,322
Professional fees	147,000	62,670	95,570
Public relations and special	17,500	18,750	7,795
Rent	7,000	34,698	29,854
Reimbursement of insurance proceeds	-\$	-\$	16,997
Repairs and maintenance	7,800	82,168	59,935
Replacement Reserve	-\$	15,036	15,036
Social assistance and support	270,360	217,677	273,720
Training	21,240	18,881	8,720
Travel	153,408	254,602	202,181
Tuitions and allowances	591,000	580,979	522,186
Utilities and telephone	33,814	149,435	105,418
Vehicle	-\$	13,830	13,849
Wages and benefits	560,590	1,150,025	908,623
Other	9,360	18,811	12,001
	\$ 2,629,948	\$ 5,751,456	\$ 5,093,401

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

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23. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Interest rate risk

The band is exposed to interest rate risk. Interest rate risk is the risk that the band has interest rate exposure on its bank contingent liabilities, which are variable based on the bank's prime rates. This exposure may have an effect on its earnings in future periods. The band reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. There are some loans that are at fixed term rates and do not affect interest rate risk. The band does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk to the band is low and is not material.

24. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council.

25. COMPARATIVE AMOUNTS

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period.