

NADLEH WHUT'EN INDIAN BAND

FINANCIAL STATEMENTS

MARCH 31, 2015

NADLEH WHUT'EN INDIAN BAND

FINANCIAL STATEMENTS

MARCH 31, 2015

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NADLEH WHUT'EN INDIAN BAND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2015

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

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada 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 is ultimately responsible for reviewing and approving the financial statements.

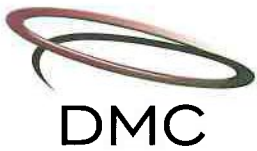
The Chief and Council review the Nation's financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to 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.)

The external auditors, Dean Mason & Company Inc., 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 
Councillor 

Date 
Date 



DEAN MASON
& COMPANY INC
CHARTERED ACCOUNTANTS

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, 2015, and the statements of revenue, expenditures and accumulated surplus, change in net financial assets (debt), cash flows and the related schedules 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.

Auditors' 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.

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P. 877-278-9977 • W. www.dmca.bc.ca

In our opinion, these financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2015 and the results of its operations, the changes in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince George, British Columbia
July 28, 2015

Deon Mason & Company Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

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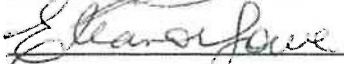
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NADLEH WHUT'EN INDIAN BAND
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015

	2015	2014
FINANCIAL ASSETS		
Cash (Note 3)	\$ 1,023,933	\$ 1,758,134
Restricted cash (Note 3)	107,550	107,550
Accounts receivable (Note 4)	502,120	253,697
Member loans receivable (Note 5)	4,921	3,101
Due from government (Note 6)	15,427	142,407
Inventory held for resale (Note 7)	35,350	38,009
Portfolio investments (Note 8)	102,360	96,687
Investment and advances in band owned entities (Note 9 and 10)	3,679	3,864
Trust funds (Note 11)	783,174	712,234
	2,578,514	3,115,683
LIABILITIES		
Bank indebtedness (Note 12)	756,074	-
Accounts payable (Note 13)	1,183,958	279,694
Due to government (Note 14)	68,231	85,246
Long-term debt (Note 15)	4,672,637	1,898,385
Replacement reserves (Note 16)	122,802	131,625
	6,803,702	2,394,950
NET FINANCIAL ASSETS (DEBT)	(4,225,188)	720,733
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 17)	13,212,191	8,588,476
Prepaid expenses	51,863	53,691
	13,264,054	8,642,167
ACCUMULATED SURPLUS	\$ 9,038,866	\$ 9,362,900

Contingent Liabilities (Note 18)
Economic Dependence (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 (DEBT)****FOR THE YEAR ENDED MARCH 31, 2015**

	2015 Budget	2015 Actual	2014 Actual
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 410,758	\$ (324,034)	\$ 321,994
Acquisition of tangible capital assets	-	(5,123,008)	(639,549)
Amortization of tangible capital assets	-	500,558	517,685
(Gain) loss on disposal of assets	-	(1,265)	504
	-	(4,623,715)	(121,360)
Acquisition of prepaid asset	1,828	(51,863)	(53,691)
Use of prepaid asset	-	53,691	56,730
	1,828	1,828	3,039
Increase in net financial assets	412,586	(4,945,921)	203,673
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	720,734	720,733	517,060
NET FINANCIAL ASSETS (DEBT) AT END OF YEAR	\$ 1,133,320	\$ (4,225,188)	\$ 720,733

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, 2015

	2015 Budget	2015 Actual	2014 Actual
REVENUE			
Federal government transfers for operating (Note 20)	\$ 1,982,865	\$ 2,186,216	\$ 2,033,277
Federal government transfers for capital (Note 20)	-	241,700	75,000
Provincial government transfers for operating (Note 20)	2,000	7,115	35,188
Income from portfolio investments	-	17,015	20,088
Amounts earned and held in Trust by federal government (Note 11)	48,000	70,941	50,515
Other Aboriginal Groups	270,800	374,783	319,602
Band Generated	323,900	3,122,395	3,141,209
Administration fees and overhead	225,000	-	(235,798)
Other revenue	288,190	387,985	162,772
Loss on investment in band owned entities	-	(511,195)	-
	3,140,755	5,896,955	5,601,853
EXPENDITURES			
Administration	650,754	812,816	702,018
Social Services	428,031	324,316	361,650
Education	1,078,285	906,801	902,191
Housing	-	315,957	215,418
Capital	-	637,627	478,098
Economic Development	311,675	3,059,297	2,733,850
Community Services	100,235	157,621	122,431
	2,568,980	6,214,435	5,515,656
RECOVERY	39,981	(6,556)	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	410,758	(324,034)	321,994
ACCUMULATED SURPLUS AT BEGINNING OF YEAR			
As previously stated	-	9,362,900	9,048,841
Prior period adjustment	-	-	(7,935)
As restated	-	9,362,900	9,040,906
TRANSFERS	55,898	-	-
ACCUMULATED SURPLUS AT END OF YEAR	\$ 466,656	\$ 9,038,866	\$ 9,362,900

See accompanying notes to these financial statements.

NADLEH WHUT'EN INDIAN BAND**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
Cash flows from		
OPERATING ACTIVITIES		
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (324,034)	\$ 321,994
Items not affecting cash		
Amortization	500,558	517,685
Replacement reserve	(8,822)	15,036
Gain (Loss) on disposal of tangible capital assets	1,265	(505)
Loss on investment in band owned entities	511,195	-
	680,162	854,210
Change in non-cash operating working capital (Note 23)	770,278	200,310
	1,450,440	1,054,520
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(5,124,510)	(639,556)
Proceeds on disposal of tangible capital assets	1,500	-
	(5,123,010)	(639,556)
FINANCING ACTIVITIES		
Advances from long term debt	2,870,570	-
Repayment of long term debt	(96,318)	(94,576)
Advances from short term financing	756,074	-
	3,530,326	(94,576)
INVESTING ACTIVITIES		
Investment in Vanderhoof Co-op	(5,673)	(6,696)
Increase in Ottawa Trust Revenue	(70,940)	(50,515)
Advances to related parties (net)	(515,344)	(11,150)
	(591,957)	(68,361)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(734,201)	252,027
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,865,684	1,613,657
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,131,483	\$ 1,865,684
REPRESENTED BY		
Cash	\$ 1,023,933	\$ 1,758,134
Restricted cash	107,550	107,550
	\$ 1,131,483	\$ 1,865,684

See accompanying notes to these financial statements.

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

1. 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.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(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 Chartered Professional Accountants of Canada.

(b) Reporting entity 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.

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

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.

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

2. 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.

(d) Cash and cash equivalents

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) 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, 2015

2. 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.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Nadleh Whut'en Indian Band's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Automotive equipment	25% Declining balance
Buildings and infrastructure	5% Declining balance
Computer equipment	55% Declining balance
Equipment	20% Declining balance

Tangible capital assets are written down when conditions indicate that they no longer contribute to Nadleh Whut'en Indian Band's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

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. Assets under construction are not amortized until the asset is available to be put into service.

(i) Impairment of long-lived assets

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 life.

(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, 2015

2. 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, 2015

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:

	2015	2014
Externally restricted		
Replacement Reserve	\$ 107,550	\$ 107,550
Unrestricted		
Operating	725,484	202,666
Social Housing	3,071	15,098
Premium Account	47,829	921,957
Property Tax	94,504	61,006
Nadleh Store	153,045	557,407
	1,023,933	1,758,134
	\$ 1,131,483	\$ 1,865,684

4. ACCOUNTS RECEIVABLE

	2015	2014
Due from members:		
Social Housing	\$ 305,672	\$ 243,935
Due from others:		
Services - non-members	570,334	290,920
Other	33,287	64,682
	909,293	599,537
Allowance for doubtful accounts	(407,173)	(345,840)
	\$ 502,120	\$ 253,697

NADLEH WHUT'EN INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

5. MEMBER LOANS RECEIVABLE

	2015	2014
Loans to band members	\$ 49,293	\$ 46,715
Less: Allowance for doubtful accounts	(44,372)	(43,614)
	<u>\$ 4,921</u>	<u>\$ 3,101</u>

6. DUE FROM GOVERNMENT

	2015	2014
Federal government		
Aboriginal Affairs and Northern Development Canada	\$ 9,167	\$ 138,029
Provincial government	6,260	4,378
	<u>\$ 15,427</u>	<u>\$ 142,407</u>

7. INVENTORY HELD FOR RESALE

Inventory held for resale is classified as follows:

	2015	2014
Fuel and oil	\$ 18,867	\$ 9,771
Cigarettes and tobacco	6,024	10,317
Groceries, confectionary	10,459	17,921
	<u>\$ 35,350</u>	<u>\$ 38,009</u>

8. PORTFOLIO INVESTMENTS

	2015	2014
Vanderhoof Co-operative Equity Investment	\$ 102,358	\$ 96,685
Pacific Trail/First Nation Group Limited Partnership (PTP - 780 Units)	1	1
FNLP GP2 Inc. (1 Common Share)	1	1
	<u>\$ 102,360</u>	<u>\$ 96,687</u>

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

9. INVESTMENT IN BAND OWNED ENTITIES

Nadleh Whut'en Indian Band's investment in government business partnerships consists of the following:

- ♦ Chundo Yus Forestry General Partner Ltd. (100%)
- ♦ Chundo Yus Mining General Partner Ltd. (100%)
- ♦ Chundo Yus Real Estate General Partner Ltd. (100%)
- ♦ Chundo Yus Forestry Limited Partnership (99.99%)
- ♦ Chundo Yus Mining Limited Partnership (99.99%)
- ♦ Chundo Yus Real Estate Limited Partnership (99.99%)

	2015	2014
Chundo Yus Forestry General Partner Ltd. (100%)	\$ 20	\$ 20
Chundo Yus Mining General Partner Ltd. (100%)	20	20
Chundo Yus Real Estate General Partner Ltd. (100%)	20	20
Chundo Yus Forestry Limited Partnership (99.99%)	9,999	9,999
Chundo Yus Mining Limited Partnership (99.99%)	9,999	9,999
Chundo Yus Real Estate Limited Partnership (99.99%)	9,999	9,999
	\$ 30,057	\$ 30,057

	Chundo Yus					
	Chundo Yus Forestry GP Ltd. (100%)	Chundo Yus Mining GP Ltd. (100%)	Chundo Yus Real Estate GP Ltd. (100%)	Chundo Yus Forestry LP (99.99%)	Chundo Yus Mining LP (99.99%)	Chundo Yus Real Estate LP (99.99%)
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,401
Accounts receivable	75	75	75	10,000	10,000	10,236
Investments	1	1	1	-	-	-
Total assets	\$ 76	\$ 76	\$ 76	\$ 10,000	\$ 10,000	\$ 25,637
Accounts payable	\$ 2,853	\$ 2,841	\$ 2,837	\$ -	\$ -	\$ 514,831
Equity / Surplus	(2,777)	(2,765)	(2,761)	10,000	10,000	(489,194)
Total liabilities and equity / surplus	\$ 76	\$ 76	\$ 76	\$ 10,000	\$ 10,000	\$ 25,637

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

9. INVESTMENT IN BAND OWNED ENTITIES, continued

	Chundo Yus					
	Chundo Yus Forestry GP Ltd. (100%)	Chundo Yus Mining GP Ltd. (100%)	Chundo Yus Real Estate GP Ltd. (100%)	Chundo Yus Forestry LP (99.99%)	Chundo Yus Mining LP (99.99%)	Chundo Yus Real Estate LP (99.99%)
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,857
Expenses	1,500	1,500	1,500	-	-	529,051
Net Loss	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ -	\$ -	\$ (499,194)

10. ADVANCES TO/FROM BAND OWNED ENTITIES

	2015	2014
Chundo Yus Forestry General Partner Ltd. (100%)	\$ 1,278	\$ 1,278
Chundo Yus Mining General Partner Ltd. (100%)	1,266	1,266
Chundo Yus Real Estate General Partner Ltd. (100%)	1,262	1,262
Chundo Yus Forestry Limited Partnership (99.99%)	(9,999)	(9,999)
Chundo Yus Mining Limited Partnership (99.99%)	(9,999)	(9,999)
Chundo Yus Real Estate Limited Partnership (99.99%)	501,010	(9,999)
Total	\$ 484,818	\$ (26,191)

Related party balances are non-interest bearing with no set terms of repayment.

Related party transactions, 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 consulting and professional fees for its related parties as follows:

Chundo Yus Forestry General Partner Ltd. - 2015 nil (2014 - \$1,298)
Chundo Yus Mining General Partner Ltd. - 2015 nil (2014 - \$1,286)
Chundo Yus Real Estate General Partner Ltd. - 2015 - nil (2014 - \$1,282)
Chundo Yus Real Estate Limited Partnership - 2015 \$511,009 (2014 - nil)

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

11. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2015	2014
Capital funds held in trust	\$ 14,423	\$ 14,423
Surplus, beginning of year	768,751	697,811
	\$ 783,174	\$ 712,234

	March 31, 2014	Additions 2014	March 31, 2015
Revenue	\$ 697,811	\$ 70,941	\$ 768,751
Capital	14,423	-	14,423
	\$ 712,234	\$ 70,941	\$ 783,174

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.

12. BANK INDEBTEDNESS

During the year, the Band entered into a \$800,000 revolving credit facility with the Bank of Montreal for general working capital purposes and is secured by a general security agreement providing first ranking security interest over all of the tangible and intangible assets of the borrower. The outstanding balance at the end of the year is \$756,074 (2014 - nil), with interest charged at the banks prime rate plus 1% per annum.

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

13. ACCOUNTS PAYABLE

	2015	2014
Trade payables	\$ 978,160	\$ 189,692
Accrued payables	116,114	37,924
Wages Payable	49,105	29,543
Vacation payable	37,905	21,864
Other Payables	2,674	671
	\$ 1,183,958	\$ 279,694

Included in trade payables is the March 2015 construction invoice for the new Band Administration and Cultural building totalling \$300,062. Subsequent to year end, this amount was paid through funds advanced from the construction loan facilities from the Bank of Montreal.

14. DUE TO GOVERNMENT

	2015	2014
Federal government	\$ 65,952	\$ 82,725
Provincial government	2,279	2,521
	\$ 68,231	\$ 85,246

15. LONG-TERM DEBT

	2015	2014
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 \$132,103 and a Government of Canada ministerial guarantee including interest at 4.35% per annum, maturing on July 1, 2015.	132,103	142,398
CMHC mortgage, repayable in monthly installments of \$2,626, secured by buildings with a value of \$126,361 and a Government of Canada ministerial guarantee including interest at 2.84% per annum, maturing on June 1, 2019.	126,361	153,585

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

15. LONG-TERM DEBT, continued

	2015	2014
CMHC mortgage, repayable in monthly installments of \$2,901, secured by buildings with a value of \$74,103 and a Government of Canada ministerial guarantee including interest at 1.71% per annum, maturing on May 1, 2017.	74,103	107,239
CMHC mortgage, repayable in monthly installments of \$2,272 secured by buildings with a value of \$62,236 and a Government of Canada ministerial guarantee including interest at 1.98% per annum, maturing on July 1, 2017.	62,236	87,899
Bank of Montreal Construction loan, \$14.4 million non-revolving demand loan to finance the construction of the Band Administration and Cultural Building, available in a series of draws to be paid out upon advance of the Construction Take-Out Loan, which shall occur no later than August 31, 2016. Interest only payments at prime plus 1.75% per annum paid monthly. Security covered by a general security agreement providing first ranking security interest over all of the tangible and intangible assets of the borrower, all risk insurance including course of construction and general liability insurance with the lender named as a loss payee, and a pledge of the borrower's revenue stream as required.	670,570	-
Bank of Montreal non-revolving demand loan to bridge receipt of funding from the First Nations Health Authority (the FNHA) for the FNHA Bridge Loan for the construction of the Band Administrative and Cultural Building. The loan is to be paid in full upon receipt of funding from FNHA for the project, which shall occur no later than August 31, 2016. Interest only payments at prime plus 1.25% per annum are paid monthly. Security covered by a general security agreement providing first ranking security interest over all of the tangible and intangible assets of the borrower, all risk insurance including course of construction and general liability insurance with the lender named as a loss payee, and a pledge of the borrower's revenue stream as required.	2,200,000	-
	\$ 4,672,637	\$ 1,898,385

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

15. LONG-TERM DEBT, continued

Principal portion of long-term debt due within the next five years excluding the Bank of Montreal construction loans as principle repayments are not know at this time:

2016	\$	99,315	
2017		101,594	
2018		57,012	
2019		43,688	
2020 and thereafter		4,371,028	
		<u>\$ 4,672,637</u>	
		2015	2014
Interest expense for the year on long-term debt	\$	37,235	\$ 16,351

16. RESERVES

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.

		2015	2014
Balance, beginning of year	\$	131,625	\$ 127,190
Contributions, required during the year		15,036	15,036
Withdrawals		(23,859)	(10,601)
		<u>\$ 122,802</u>	<u>\$ 131,625</u>

As at March 31, 2015, the replacement reserve cash account was underfunded by \$15,252 (2014 - underfunded \$24,075)

NADLEH WHUT'EN INDIAN BAND**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2015****17. TANGIBLE CAPITAL ASSETS**

	Cost	Additions	Disposals	Accumulated amortization	2015 Net book value
Automotive equipment	\$ 618,400	\$ 30,000	\$ 35,704	\$ 536,375	\$ 76,320
Buildings and infrastructure	16,871,896	5,075,712	-	8,862,040	13,085,568
Computer equipment	39,326	8,321	-	38,682	8,966
Equipment	342,040	10,476	-	311,179	41,337
	\$17,871,662	\$ 5,124,509	\$ 35,704	\$ 9,748,276	\$13,212,191

	Cost	Additions	Disposals	Accumulated amortization	2014 Net book value
Automotive equipment	\$ 624,150	\$ -	\$ 5,750	\$ 551,404	\$ 66,996
Buildings and infrastructure	16,247,235	624,661	-	8,398,059	8,473,837
Computer equipment	36,691	2,635	-	32,809	6,518
Equipment	329,781	12,258	-	300,914	41,126
	\$17,237,857	\$ 639,554	\$ 5,750	\$ 9,283,186	\$ 8,588,477

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

18. 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 \$42,579 for loans to Individual First Nations Members.

Credit Facility

The band has a \$50,000 MasterCard facility for general working capital purposes, a \$2,000,000 on-reserve housing loan program which provides up to 80% of the mortgage value to qualified borrowers for the construction, renovation, refinance or purchase of a dwelling on reserve, and a \$1,440,000 Treasury Risk Management Facility to facilitate hedging of interest rate risk.

19. 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
MARCH 31, 2015

20. GOVERNMENT TRANSFERS

	2015		
	Operating	Capital	Total
Federal government transfers			
Aboriginal Affairs and Northern Development Canada	\$ 2,064,228	\$ 241,700	\$ 2,305,928
Health Canada	86,376	-	86,376
Canada Mortgage and Housing Corporation	35,612	-	35,612
Total	2,186,216	241,700	2,427,916
Provincial government transfers	7,115	-	7,115
	\$ 2,193,331	\$ 241,700	\$ 2,435,031
	2014		
	Operating	Capital	Total
Federal government transfers			
Aboriginal Affairs and Northern Development Canada	\$ 1,915,457	\$ 75,000	\$ 1,990,457
Health Canada	81,815	-	81,815
Canada Mortgage and Housing Corporation	36,005	-	36,005
Total	2,033,277	75,000	2,108,277
Provincial government transfers	35,188	-	35,188
	\$ 2,068,465	\$ 75,000	\$ 2,143,465

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

21. SEGMENTED INFORMATION

		Administration		Social Services		Education	
	2015	2015	2014	2015	2014	2015	2014
	Budget	Actual	Actual	Budget	Actual	Budget	Actual
Revenues							
Aboriginal Affairs & Northern Development Canada	\$ 223,380	\$ 268,906	\$ 221,413	\$ 345,569	\$ 345,569	\$ 1,059,882	\$ 1,039,504
Federal Government	-	-	-	-	-	66,925	66,925
Provincial Government	-	5,000	-	-	5,000	2,000	2,188
Other Aboriginal Groups	78,885	138,885	82,407	32,800	81,232	57,882	52,031
Band Generated	154,982	187,086	63,570	-	-	-	-
Other revenue	348,450	153,528	170,137	-	-	8,000	6,144
Total revenue	805,697	753,405	537,527	378,369	426,801	1,194,689	1,166,792
Expenses							
Amortization	-	7,898	9,623	-	1,143	-	3,369
Consulting fees	7,500	41,981	23,641	4,000	425	105,000	97,616
Materials and supplies	10,650	35,629	16,661	42,791	45,166	42,456	67,482
Social assistance and support	-	-	-	275,894	191,358	-	-
Travel	81,481	88,714	90,196	30,779	30,479	17,850	25,075
Tuitions and allowances	-	-	-	-	-	643,456	551,395
Wages and benefits	347,334	358,807	356,500	55,162	47,347	155,242	128,588
Other expenses	203,789	279,785	205,396	19,405	8,398	114,281	33,276
Total expenses	650,754	812,814	702,017	428,031	324,316	1,078,285	902,191
Annual surplus (deficit)	\$ 154,943	\$ (59,409)	\$ (164,490)	\$ (49,662)	\$ 102,485	\$ 116,404	\$ 264,601

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

21. SEGMENTED INFORMATION, continued

		2015 Budget	Housing 2015 Actual	2014 Actual	2015 Budget	Capital 2015 Actual	2014 Actual	2015 Budget	Economic Development 2015 Actual	2014 Actual
Revenues										
Aboriginal Affairs & Northern Development Canada	\$	-	\$	-	\$	\$	395,406 \$	225,751 \$	236,165 \$	158,066
Federal Government		36,054	35,612	36,005	-	-	-	-	14,890	14,890
Provincial Government		-	-	-	-	-	-	-	-	28,000
Band Generated		168,919	167,128	104,079	-	23	-	-	2,756,717	2,964,271
Other revenue		-	22,015	21,503	-	-	-	201,240	(268,035)	20,240
Total revenue		204,973	224,755	161,587	-	395,429	225,751	452,295	2,740,567	3,185,467
Expenses										
Amortization		-	102,682	101,058	-	339,663	350,559	-	45,306	49,178
Consulting fees		-	-	-	-	98,681	89,051	25,000	684,366	384,016
Materials and supplies		-	5,902	15,121	-	40,391	37,986	21,350	108,974	109,239
Travel		-	3,446	1,342	-	445	-	8,650	166,010	100,911
Wages and benefits		-	36,612	1,145	-	-	-	136,885	470,255	526,023
Other expenses		-	167,315	96,752	-	158,447	502	280,809	1,584,386	1,564,483
Total expenses		-	315,957	215,418	-	637,627	478,098	472,694	3,059,297	2,733,850
Recovery		204,973	(91,202)	(53,831)	-	(242,198)	(252,347)	(20,399)	(318,730)	451,617
Annual surplus (deficit)	\$	204,973 \$	(91,202)\$	(53,831)\$	-	\$	(252,347)\$	(20,399)\$	(325,286)\$	451,617

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

21. SEGMENTED INFORMATION, continued

	Community Services		2014		2015		Consolidated totals	
	2015 Budget	2015 Actual	2014 Actual	2015 Budget	2015 Actual	2014 Actual	2015 Actual	2014 Actual
Revenues								
Aboriginal Affairs & Northern Development Canada	\$ -	\$ -	\$ -	\$ 1,864,996	\$ 2,305,928	\$ 1,990,457		
Federal Government	-	-	-	117,869	121,988	117,820		
Provincial Government	-	-	-	2,000	7,115	35,188		
Other Aboriginal Groups	101,233	102,362	112,315	270,800	374,783	319,602		
Band Generated	-	11,439	9,290	323,901	3,122,393	3,141,210		
Other revenue	3,500	41,743	15,350	561,190	(35,252)	233,374		
Total revenue	104,733	155,544	136,955	3,140,756	5,896,955	5,837,651		
Expenses								
Amortization	-	499	623	-	500,560	517,683		
Consulting fees	-	370	-	141,500	923,439	606,131		
Materials and supplies	4,000	33,935	15,750	121,247	337,479	281,831		
Social assistance and support	-	-	-	275,894	191,358	217,677		
Travel	5,500	14,759	9,138	144,260	328,928	253,579		
Tuitions and allowances	-	-	-	643,456	551,395	580,979		
Wages and benefits	80,408	84,641	83,090	775,031	1,126,250	1,150,026		
Other expenses	10,327	23,417	13,831	628,611	2,255,024	1,907,750		
Total expenses	100,235	157,621	122,432	2,729,999	6,214,433	5,515,656		
Recovery	4,498	(2,077)	14,523	410,757	(317,478)	321,995		
Annual surplus (deficit)	\$ 4,498	(2,077)\$	14,523	410,757	(324,034)\$	321,995		

NADLEH WHUT'EN INDIAN BAND**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2015****22. EXPENSES BY OBJECT**

	2015 Budget	2015 Actual	2014 Actual
Administration fees	\$ 128,011	\$ -	\$ -
Amortization	-	500,559	517,685
Consulting fees	141,500	923,439	606,130
Contracted services	12,230	58,490	25,580
Donations	-	68,694	38,387
Fees	-	300	-
Honorarium	97,600	113,614	110,746
Insurance	13,860	101,001	45,248
Interest and bank charges	9,650	84,963	26,700
Interest on long-term debt	-	37,236	16,351
Materials and supplies	121,248	337,478	281,822
Meeting expenses	4,650	4,650	-
Office expenses	10,000	20,345	14,367
Other	360	83,258	18,811
Professional fees	16,500	54,715	62,670
Public relations and special	10,000	21,645	18,750
Purchases	-	1,281,119	1,216,099
Rent	-	28,203	34,698
Repairs and maintenance	60,286	150,715	82,168
Replacement Reserve	-	15,036	15,036
Social assistance and support	275,894	191,358	217,677
Training	15,605	20,182	18,881
Travel	144,260	328,930	253,579
Tuitions and allowances	643,456	551,395	580,979
Utilities and telephone	78,839	100,674	149,435
Vehicle	10,000	10,184	13,830
Wages and benefits	775,031	1,126,252	1,150,025
		\$ 6,214,435	\$ 5,515,654

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

23. CHANGE IN NON-CASH OPERATING WORKING CAPITAL

	2015	2014
Accounts receivable	\$ (248,423)	\$ 178,604
Due from government	126,980	24,057
Prepaid expenses	1,828	3,039
Inventory held for resale	2,659	(21,710)
Accounts payable	904,249	66,768
Due to government	(17,015)	(50,448)
	<u>\$ 770,278</u>	<u>\$ 200,310</u>

24. EMPLOYMENT RETIREMENT PLAN

The band has a defined contribution plan for its employees, with 5% of employees gross payroll is contributed to a defined contribution plan. Total band contributions for 2015 were \$51,150 (2014: \$34,295)

25. 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.

26. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council in May 2014.

NADLEH WHUT'EN INDIAN BAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015

27. SUBSEQUENT EVENTS

Subsequent to year end, a request was made to the Bank of Montreal to advance funds from the construction loan to pay for the March 2015 construction invoice of \$300,062 included in trade payables at year end.

28. COMPARATIVE AMOUNTS

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