

NADLEH WHUT'EN INDIAN BAND

FINANCIAL STATEMENTS

MARCH 31, 2017

NADLEH WHUT'EN INDIAN BAND

FINANCIAL STATEMENTS

MARCH 31, 2017

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NADLEH WHUT'EN INDIAN BAND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2017

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 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 Council is 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.

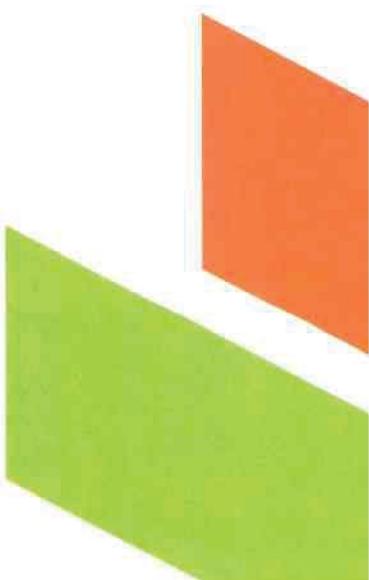
The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the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

The external auditors, DMC Chartered Professional Accountants 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:


Councillor
Gord

July 25, 2017
Date
July 25, 2017
Date



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, 2017, and the statements of revenue, expenditures and accumulated surplus, change in net 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 qualified audit opinion.

Basis for Qualified Opinion

We were unable to obtain reviewed financial statements supporting the Band's investment in Chundo Yuz Forestry GP Ltd., Chundo Yuz Mining GP Ltd., and Chundo Yuz Real Estate GP Ltd or its equity in earnings. As a result, we are not able to determine whether any adjustments might be necessary to these investments, other income or ending surplus on Schedule 4075 Investment in Band Owned Corporations. Except for the above noted and FN (PTP) Group Limited Partnership, all other Investments in Band Owned Entities have been completed on a review basis, as such we are unable to obtain sufficient audit evidence on these figures.

Opinion

Except as noted in the above paragraph, in our opinion, present fairly, in all material respects, the financial position of the First Nation as at March 31, 2017 and the results of its operations then ended in accordance with Canadian public sector accounting standards.

Prince George, British Columbia
July 14, 2017

*DMC Chartered Professional
Accountants Inc.*

NADLEH WHUT'EN INDIAN BAND

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash (Note 3)	\$ 3,276,187	\$ 1,110,753
Restricted cash (Note 3)	122,802	122,802
Accounts receivable (Note 4)	484,460	309,589
Member loans receivable (Note 5)	3,246	3,113
Due from government (Note 6)	221,117	100,718
Inventory held for sale (Note 7)	37,588	36,936
Portfolio investments (Note 8)	112,138	108,378
Investment and advances in band owned entities (Note 9, 10)	20,065	31,243
Trust funds (Note 11)	768,359	775,490
	5,045,962	2,599,022
LIABILITIES		
Bank indebtedness (Note 12)	1,339	658,691
Accounts payable (Note 13)	268,917	1,140,371
Due to government (Note 14)	17,003	7,621
Deferred revenue (Note 15)	1,314,800	-
Advances from band owned entities (Note 16)	19,999	19,999
Long-term debt (Note 17)	16,619,860	12,673,153
Replacement reserves (Note 18)	78,064	66,171
	18,319,982	14,566,006
NET DEBT	(13,274,020)	(11,966,984)
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 19)	25,684,500	20,970,910
Prepaid expenses	46,467	49,423
	25,730,967	21,020,333
ACCUMULATED SURPLUS	\$ 12,456,947	\$ 9,053,349
Contingent Liabilities (Note 20)		
Economic Dependence (Note 21)		

Approved on behalf of the Nadleh Whut'en Indian Band


_____, Chief
_____, Councillor

NADLEH WHUT'EN INDIAN BAND

STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget	2017 Actual	2016 Actual
EXCESS OF REVENUE OVER EXPENDITURES			
Acquisition of tangible capital assets	-	(5,681,311)	(8,325,976)
Amortization of tangible capital assets	-	967,721	488,490
Proceeds on disposal	-	-	52,293
Gain on disposal of assets	-	-	26,475
Acquisition of prepaid asset	2,956	(46,467)	(49,423)
Use of prepaid asset	-	49,423	51,863
	2,956	2,956	2,440
Decrease in net financial assets	481,138	(1,307,036)	(7,741,785)
NET DEBT AT BEGINNING OF YEAR	-	(11,966,984)	(4,225,199)
NET DEBT AT END OF YEAR	\$ -	\$ (13,274,020)	\$ (11,966,984)

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, 2017

	2017 Budget	2017 Actual	2016 Actual Restated
REVENUE			
Federal government transfers for operating (Note 22)	\$ 1,984,632	\$ 3,725,253	\$ 2,096,930
Provincial government transfers for operating (Note 22)	2,100	85,960	20,789
Income from portfolio investments	31,382	11,281	18,056
Trust Funds amounts		46,605	56,319
Other Aboriginal Groups	-		
Band Generated	868,467	4,340,876	1,064,735
Administration fees and overhead	1,378,500	2,163,494	2,568,017
Other revenue	300,000	2,764	3,926
Income from Investment in Government Business Enterprise	34,847	217,606	513,211
Miscellaneous	-	-	(4,167)
Transfer to deferred revenue	-	36,263	30,000
		(1,314,800)	-
COST OF GOODS SOLD			
GROSS PROFIT	4,599,928	8,289,003	5,173,170
EXPENDITURES			
Administration	700,193	1,117,475	1,227,441
Social Services	367,235	338,356	343,277
Education	1,177,351	887,109	893,547
Housing	37,882	377,341	336,003
Capital	40,000	1,361,406	813,694
Economic Development	407,294	692,811	1,211,116
Community Services	209,793	175,910	192,869
	2,939,748	4,950,403	5,017,947
RECOVERY			
	-	-	(30,980)
REPLACEMENT RESERVE			
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEMS	478,182	3,323,558	109,209
OTHER ITEMS			
Endako	-	-	
Gain on sale of tangible capital assets		80,040	(94,716)
	-	80,040	(94,716)
EXCESS OF REVENUE OVER EXPENDITURES	478,182	3,403,598	14,493
ACCUMULATED SURPLUS AT BEGINNING OF YEAR		9,053,349	9,038,856
TRANSFERS		223,459	-
ACCUMULATED SURPLUS AT END OF YEAR	\$ 701,641	\$ 12,456,947	\$ 9,053,349

See accompanying notes to these financial statements.

NADLEH WHUT'EN INDIAN BAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
Cash flows from OPERATING ACTIVITIES		
EXCESS OF REVENUE OVER EXPENDITURES	\$ 3,403,598	\$ 14,493
Items not affecting cash		
Amortization	967,721	488,490
Replacement reserve	11,893	(56,631)
Gain on disposal of tangible capital assets	-	26,475
Change in non-cash operating working capital		
Accounts receivable	(174,871)	213,275
Due from government	(120,399)	(85,291)
Prepaid expenses	2,956	2,440
Inventory held for sale	(652)	(1,586)
Accounts payable	(871,448)	(64,344)
Due to government	9,382	(60,610)
Deferred revenue	1,314,800	-
Member loans receivable	(133)	1,808
	4,383,212	472,827
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(5,681,317)	(8,325,976)
Proceeds on disposal of tangible capital assets	-	52,293
	(5,681,317)	(8,273,683)
FINANCING ACTIVITIES		
Advances from long-term debt	6,053,203	8,103,582
Repayment of long-term debt	(2,106,497)	(103,066)
Repayment of short-term financing	(657,352)	(97,382)
	3,289,354	7,903,134
INVESTING ACTIVITIES		
Investment in Vanderhoof Co-op	(3,760)	(6,018)
Decrease in Ottawa Trust Revenue	7,131	7,684
Advances in band owned entities (net)	11,179	(7,564)
	14,550	(5,898)
INCREASE IN CASH AND CASH EQUIVALENTS	2,165,434	102,072
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,233,555	1,131,483
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,398,989	\$ 1,233,555
REPRESENTED BY		
Cash	\$ 3,276,187	\$ 1,110,753
Restricted cash	122,802	122,802
	\$ 3,398,989	\$ 1,233,555

See accompanying notes to these financial statements.

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

1. DESCRIPTION OF OPERATIONS

Nadleh Whut'en Indian Band is a self-governed First Nations Band and operates on Nadleh Whut'en First Nation traditional territory, located in 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 Canadian Institute of Chartered Accountants.

(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
6. Nadleh Limited Partner Ltd.

Investments in and advances to these companies are recorded on a 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, 2017

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 of 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 includes 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, 2017

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%-10% Declining balance
Computer equipment and software	55%-100% Declining balance
Equipment	20% Declining balance

Social housing assets acquired under Canadian 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.

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.

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

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

(k) Replacement reserve

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

(l) Revenue recognition

All revenue is recorded on an accrual basis whereby amounts received or recorded as a 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 tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition 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 the service is 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 Debt

The Nation's financial statements are presented so as to highlight net financial debt 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) Segment Disclosures

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The First Nation has provided definitions of segments used as well as presented financial information in segment format (Note 20).

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

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

(p) 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.

3. CASH

Under the terms of an agreement with the 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:

Externally restricted Replacement Reserve	\$ 122,802	\$ 122,802
	2017	2016

4 ACCOUNTS RECEIVABLE

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

5. MEMBER LOANS RECEIVABLE

	2017	2016
Loans to band members	\$ 48,344	\$ 48,848
Less: Allowance for doubtful accounts	(45,098)	(45,735)

6. DUE FROM GOVERNMENT

	2017	2016
Indigenous and Northern Affairs Canada	\$ 100,587	\$ 50,290
Provincial government	80,995	16,320
Federal government - GST Rebate	39,535	34,108

7. INVENTORY HELD FOR RESALE

Inventory held for resale is classified as follows:

	2017	2016
Fuel and oil	\$ 12,411	\$ 12,882
Cigarettes and tobacco	12,777	13,499
Groceries, confectionary	12,400	10,555

	2017	2016
\$ 37,588	\$ 36,936	

8. PORTFOLIO INVESTMENTS

	2017	2016
Vanderhoof Co-operative Equity Investment	\$ 112,136	\$ 108,376
Pacific Trail/First Nation Group Limited Partnership (PTP - 780 Units)	1	1
FNLP GP2 Inc. (1 Common Share)	1	1

	2017	2016
\$ 112,138	\$ 108,378	

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

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%)
- Nadleh Limited Partner Ltd. (100%)

The First Nation entered into a Bare Trust / Agency Agreement with Nadleh Limited Partner Ltd. on May 29, 2015, which states that all income received from the Trust Property will belong to and be for the sole benefit of the First Nation and will be paid to the First Nation upon the direction of the Chief & Council.

	2017	2016
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
Nadleh Limited Partner Ltd. (100%)	1	1
	<hr/> <u>\$ 30,058</u>	<hr/> <u>\$ 30,058</u>

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

9. INVESTMENT IN BAND OWNED ENTITIES, continued

	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 General Partnership (99.99%)	Chundo Yus Mining Real Estate Limited Partnership (99.99%)	Chundo Yus Real Estate Limited Partnership (100%)
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,093
Accounts receivable	\$ 20	\$ 20	\$ 20	\$ -	\$ -	\$ -
Investments	1	1	1	-	-	-
Due from Nadleh	-	-	-	-	-	-
Whut'en	-	-	-	9,499	9,499	-
Due from Chundo	-	-	-	-	-	-
Yus General Partners	-	-	-	1	1	-
Total assets	\$ 21	\$ 21	\$ 21	\$ 9,500	\$ 9,500	\$ 1,094
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 94	\$ -
Due to Nadleh	2,777	2,765	2,761	-	514,155	-
Whut'en	-	-	-	-	-	-
Total liabilities	2,777	2,765	2,761	-	514,249	-
Equity / Surplus	(2,756)	(2,744)	(2,740)	9,500	9,500	(513,155)
Total liabilities and equity	\$ 21	\$ 21	\$ 21	\$ 9,500	\$ 9,500	\$ 1,094
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 General Partnership (99.99%)	Chundo Yus Mining Real Estate Limited Partnership (99.99%)	Chundo Yus Real Estate Limited Partnership (100%)	Nadleh Limited Partner Ltd.
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses						
Bank charges	-	-	-	-	1,408	-
Insurance	-	-	-	-	117	-
Professional fees	-	-	-	-	15,565	-
	-	-	-	-	17,090	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,090)

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

10. ADVANCES TO BAND OWNED ENTITIES

Advances to:	2017	2016
Chundo Yus Forestry General Partner Ltd. (100%)	\$ 2,777	\$ 2,777
Chundo Yus Mining General Partner Ltd. (100%)	2,765	2,765
Chundo Yus Real Estate General Partner Ltd. (100%)	2,761	2,761
Chundo Yus Real Estate Limited Partnership (99.99%)	<u>514,156</u>	<u>508,243</u>
	<u><u>\$ 522,459</u></u>	<u><u>\$ 516,546</u></u>

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. - 2017 - \$500 (2016 - \$1,500)
Chundo Yus Mining General Partner Ltd. - 2017 - \$500 (2016 - \$1,500)
Chundo Yus Real Estate General Partner Ltd. - 2017 - \$500 (2016 - \$1,500)
Chundo Yus Real Estate Limited Partnership - 2017 - \$3,750 (2016 - \$3,640)

11. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2017	2016
Capital funds held in trust	\$ 14,423	\$ 14,423
Revenue funds held in trust	<u>753,936</u>	<u>761,067</u>
	<u><u>\$ 768,359</u></u>	<u><u>\$ 775,490</u></u>
March 31,	Additions,	Withdrawals,
2016	2017	2017
Revenue		
Capital	\$ 761,067	\$ 45,591
	14,423	(52,722)
		\$ 753,936
		14,423
	<u><u>\$ 775,490</u></u>	<u><u>\$ 45,591</u></u>
		<u><u>\$ (52,722)</u></u>
		<u><u>\$ 768,359</u></u>

12. BANK INDEBTEDNESS

The First Nation has an \$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 \$1,399 - (2016 - \$658,691), with interest charged at the banks prime rate plus 1% per annum.

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

13. ACCOUNTS PAYABLE

	2017	2016
Trade payables	\$ 103,520	\$ 1,004,310
Accrued payables	37,705	44,724
Wages payable	63,028	35,399
Vacation payable	36,045	31,457
Social Housing Rent payable	26,942	21,347
Other payables	1,677	3,134
	<hr/>	<hr/>
	\$ 268,917	\$ 1,140,371

14. DUE TO GOVERNMENT

	2017	2016
Federal government	\$ 15,953	\$ 6,162
Provincial government	1,050	1,459
	<hr/>	<hr/>
	\$ 17,003	\$ 7,621

15. DEFERRED REVENUE

	March 31, 2016	Funding received, 2017	March 31, 2017
Federal government INAC NTLB-001	\$ -	\$ 1,314,800	\$ 1,314,800

Indigenous and Northern Affairs Canada funding received for Multi Unit Housing Project, however the project was not started until the subsequent year.

16. ADVANCES FROM BAND OWNED ENTITIES

	2017	2016
Advances from:		
Chundo Yus Forestry Limited Partnership (99.99%)	\$ 9,999	\$ 9,999
Chundo Yus Mining Limited Partnership (99.99%)	9,999	9,999
Nadleh Limited Partner	1	1
Total	<hr/>	<hr/>
	\$ 19,999	\$ 19,999

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

17. LONG-TERM DEBT

	2017	2016
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
CMHC Mortgage bearing interest at 2.99% per annum, repayable in monthly payments of \$1,586 including interest. The loan is secured by buildings with a net book value \$102,784 and a Government of Canada Ministerial Guarantee. The loan matures on August 1, 2022.	102,717	118,434
CMHC mortgage bearing interest at 1.22% per annum, repayable in monthly payments of \$2,539 including interest. The loan is secured by buildings with a net book value \$67,665 and a Government of Canada Ministerial Guarantee. The loan matures on June 1, 2019.	67,665	97,150
CMHC mortgage bearing interest at 1.71% per annum, repayable in monthly payments of \$2,901 including interest. The loan is secured by buildings with a net book value \$5,793 and a Government of Canada Ministerial Guarantee. The loan matures on May 1, 2017.	5,793	40,239
CMHC mortgage bearing interest at 1.98% per annum, repayable in monthly payments of \$2,272 including interest. The loan is secured by buildings with a net book value \$9,066 and a Government of Canada Ministerial Guarantee. The loan matures on July 1, 2017.	9,066	35,914
Construction Loan - Facility 3 bearing interest at 2.7% per annum, interest only payments until February 28, 2018, due on demand. The loan is secured 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. The loan matures on February 28, 2047.	15,027,355	8,974,152
Bank of Montreal Construction loan repaid during the year	- 2,000,000	\$ 12,673,153
	\$ 16,619,860	

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

17. LONG-TERM DEBT, continued

Principle portion of long-term debt due within the next five years excluding the Bank of Montreal construction loans as principle repayments are unknown at this time:

2018	\$ 60,937
2019	46,854
2020	24,886
2021	17,711
2022 and thereafter	16,469,472

\$ 16,619,860

2017 2016

Interest expense for the year on long-term debt \$ 355,186 \$ 286,555

18. RESERVES

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

	2017	2016
Balance, beginning of year	\$ 66,171	\$ 122,802
Contributions, required during the year	15,036	15,036
Withdrawals	(3,143)	(71,667)

As at March 31, 2017, the Replacement Reserve Fund is overfunded by - \$44,738 (2016 - overfunded by \$56,631).

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

19. TANGIBLE CAPITAL ASSETS

	Cost	Additions	Disposals	Accumulated amortization	2017 Net book value
Buildings and infrastructure	\$ 30,204,531	\$ 5,556,145	\$ -	\$ 10,249,466	\$ 25,511,209
Automotive equipment	388,980	-	-	354,080	34,900
Computer equipment	52,698	9,944	-	52,644	9,998
Office equipment	-	110,918	-	11,092	99,827
Equipment	345,050	4,304	-	320,788	28,566
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 30,991,259	\$ 5,631,311	\$ -	\$ 10,988,070	\$ 25,684,500
	Cost	Additions	Disposals	Accumulated amortization	2016 Net book value
Buildings and infrastructure	\$ 21,947,608	\$ 8,256,923	\$ -	\$ 9,319,574	\$ 20,884,957
Automotive equipment	612,696	64,003	287,718	342,446	46,534
Computer equipment	47,647	5,050	-	45,002	7,696
Equipment	352,516	-	7,466	313,327	31,723
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 22,960,467	\$ 8,325,976	\$ 295,184	\$ 10,020,349	\$ 20,970,910

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

20. CONTINGENT LIABILITIES

Recoveries of Government Funding

Under the terms of the agreement with Indigenous and Northern Affairs 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 First Nation is contingently liable for Ministerial Loan Guarantees in the amount of \$37,956 for loans to individual First Nations Members.

Credit Facility

The First Nation 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.

21. ECONOMIC DEPENDENCE

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

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

22. GOVERNMENT TRANSFERS

	2017		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs Canada	\$ 2,152,369	\$ 1,421,653	\$ 3,574,022
Canada Mortgage and Housing Corporation	151,236	-	151,236
Total	2,303,605	1,421,653	3,725,258
Provincial government transfers			
	85,960	-	85,960
	\$ 2,389,565	\$ 1,421,653	\$ 3,811,218
<hr/>			
	2016		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs Canada	\$ 2,062,359	\$ -	\$ 2,062,359
Canada Mortgage and Housing Corporation	34,571	-	34,571
Total	2,096,930	-	2,096,930
Provincial government transfers			
	20,789	-	20,789
	\$ 2,117,719	\$ -	\$ 2,117,719

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

23. SEGMENTED INFORMATION

Nadleh Whut'en Indian Band is a First Nation organization that provides a wide range of services to its members including social, education, housing, capital, economic development and community services. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives with special regulations, restrictions or limitations.

First Nation services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Administration

The Administration departments provides operational and programmatic support to the Nation. It also manages the Nation's financial records to ensure that the government's operations are fiscally responsible and accurate financial results of government programming are being reported.

Social Services

The Social Services program provides assistance to community members unable to provide for themselves and their dependents. The services include, but are not limited to, income assistance, child and family services, and assisted living.

Education

The Education program offers aboriginal employment and training programs to assist members to attain employment, provides kindergarten to grade 12 courses and provides post secondary education support.

Housing

The Housing program is responsible for the administration and management of Social Housing units.

Capital

The Capital program provides for the development of new capital projects and infrastructure programs on the reserve.

Economic Development

The Economic Development department is responsible for creating and sustaining businesses and partnerships that provide economic growth and stability for the Nation.

Community Services

The Community Services department supports the members in their efforts to enhance their self-awareness, health and wellness, education and employment. Various programs are being offered in this department.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

23. SEGMENTED INFORMATION, continued

	Administration		Social Services			Education			
	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual
Revenues									
Indigenous and Northern Affairs Canada	\$ 216,313	\$ 216,313	\$ 222,463	\$ 367,399	\$ 382,085	\$ 362,842	\$ 1,099,747	\$ 1,102,257	\$ 1,080,838
Provincial Government	-	10,960	9,000	-	-	-	2,100	-	1,789
Other Aboriginal Groups	79,124	235,176	295,528	69,503	110,297	89,282	311,400	372,946	128,875
Band Generated	-	91,957	81,625	-	-	-	-	9,836	-
Other revenue	321,400	228,860	125,431	-	1,000	3,952	3,000	15,327	30,117
Total revenue	616,837	783,266	734,047	436,902	493,382	456,076	1,416,247	1,500,366	1,241,619
Expenses									
Amortization	-	2,239	3,185	-	794	813	-	2,200	181
Consulting fees	8,000	207,517	165,231	5,500	5,560	1,812	110,000	115,089	113,194
Materials and supplies	11,150	18,059	32,688	56,431	47,533	51,430	72,250	48,947	50,180
Social assistance and support	-	-	-	203,466	175,647	186,115	-	-	-
Travel	51,650	44,571	99,198	13,000	44,770	45,049	59,602	14,127	18,075
Tuitions and allowances	-	-	-	-	-	-	593,000	532,830	527,754
Wages and benefits	420,812	337,570	330,062	68,398	52,536	50,029	145,257	140,364	129,631
Other expenses	208,581	507,519	597,077	20,440	11,516	8,029	197,242	33,552	54,532
Total expenses	700,193	1,117,475	1,227,441	367,235	338,356	343,277	1,177,351	887,109	893,547
Other income	(83,356)	(334,208)	(493,395)	69,667	155,027	81,819	238,896	613,256	348,071
Annual surplus (deficit)	\$ (83,356)	\$ (254,168)	\$ (493,395)	\$ 69,667	\$ 155,027	\$ 81,819	\$ 238,896	\$ 613,256	\$ 348,071

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

23. SEGMENTED INFORMATION, continued

	2017 Budget	Housing 2017 Actual	2016 Actual	2017 Budget	Capital 2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual
Revenues									
Indigenous and Northern Affairs Canada	\$ -	\$ 1,378,090	\$ -	\$ 159,487	\$ 159,487	\$ 156,745	\$ 141,686	\$ 335,790	\$ 239,471
Federal Government	-	151,236	34,571	-	-	-	-	-	-
Provincial Government	-	-	10,000	-	-	-	-	75,000	-
Other Aboriginal Groups	-	-	-	-	2,400,000	275,000	17,850	718,457	83,536
Band Generated	-	143,662	150,165	-	2,353	878	1,378,500	1,912,613	2,331,282
Other revenue	18,056	(1,303,519)	153,852	-	-	-	13,326	30,130	265,878
Total revenue	18,056	369,469	348,588	159,487	2,561,840	432,623	1,551,362	3,071,990	2,920,167
Expenses									
Amortization	-	112,684	109,368	-	806,289	337,372	-	41,997	36,034
Consulting fees	-	59,610	8,400	10,000	30,550	46,982	2,000	104,189	283,339
Materials and supplies	300	4,457	11,544	-	11,520	18,665	41,380	85,811	95,590
Travel	430	1,598	4,295	-	-	-	1,250	35,045	80,051
Wages and benefits	36,552	46,699	112,062	-	-	4,981	239,903	257,842	445,083
Other expenses	600	152,293	90,334	30,000	513,047	405,694	1,304,761	1,194,230	1,465,665
Total expenses	37,882	377,341	336,003	40,000	1,361,406	813,694	1,589,294	1,719,114	2,405,762
Other income	(19,826)	(22,908)	(2,451)	119,487	1,200,434	(381,071)	(37,932)	1,352,876	514,405 (94,716)
Annual surplus (deficit)	\$ (19,826)	\$ (22,908)	\$ (2,451)	\$ 119,487	\$ 1,200,434	\$ (381,071)	\$ (37,932)	\$ 1,352,876	\$ 419,689

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

23. SEGMENTED INFORMATION, continued

	Community Services			Consolidated totals		
	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual
Revenues						
Indigenous and Northern Affairs Canada	\$ -	\$ -	\$ -	\$ 1,984,632	\$ 3,574,022	\$ 2,062,359
Federal Government	-	-	-	-	151,236	34,571
Provincial Government	-	-	-	2,100	85,960	20,789
Other Aboriginal Groups	390,590	503,999	192,514	868,467	4,340,875	1,064,735
Band Generated	-	3,075	4,067	1,378,500	2,163,496	2,568,017
Other revenue	10,447	27,920	38,115	366,229	(1,000,282)	617,345
Total revenue	401,037	534,994	234,696	4,599,928	9,315,307	6,367,816
Expenses						
Amortization	-	1,518	1,538	-	967,721	488,491
Consulting fees	-	-	3,310	135,500	522,515	622,268
Materials and supplies	18,200	25,764	34,482	199,711	242,091	294,579
Social assistance and support	-	-	-	203,466	175,647	186,115
Travel	3,365	22,901	28,993	129,297	163,012	275,661
Tuitions and allowances	-	-	-	593,000	532,830	527,754
Wages and benefits	107,035	90,688	92,827	1,017,957	925,699	1,164,675
Other expenses	81,193	35,039	31,719	1,842,817	2,447,196	2,653,050
Total expenses	209,793	175,910	192,869	4,121,748	5,976,711	6,212,593
Other income	191,244	359,084	41,828	478,180	3,323,561	109,206
Annual surplus (deficit)	\$ 191,244	\$ 359,084	\$ 41,828	\$ 478,180	\$ 3,403,598	\$ 14,493

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

24. EXPENSES BY OBJECT

	2017 Budget	2017 Actual	2016 Actual
Administration fees	\$ 206,594	\$ -	\$ -
Amortization	-	967,721	488,490
Band contributions	-	6,000	135,709
Catering	13,775	53,253	28,055
Consulting fees	135,500	522,515	622,268
Contracted services	4,600	69,948	45,096
Donations	5,000	21,330	27,347
Honorarium	85,800	111,850	173,500
Insurance	27,115	100,619	122,390
Interest and bank charges	36,800	38,274	40,918
Interest on long-term debt	-	477,799	286,555
Janitorial	-	4,129	-
Materials and supplies	199,713	242,092	294,578
Meeting expenses	-	1,000	3,643
Office expenses	12,800	13,356	39,793
Other	15,600	143,270	155,728
Professional fees	34,190	44,013	48,293
Purchases	1,182,000	1,026,304	1,194,646
Rent (Recovery)	29,870	(9,305)	44,717
Repairs and maintenance	57,250	45,115	135,247
Retrofit Initiative expense	-	117,827	-
Social assistance and support	203,466	175,647	186,115
Training	39,322	38,231	51,111
Travel	129,297	163,011	275,660
Tuitions and allowances	593,000	532,830	527,754
Utilities and telephone	87,099	137,320	111,739
Vehicle	5,000	6,863	8,568
Wages and benefits	1,017,957	925,700	1,164,673
		\$ 5,976,712	\$ 6,212,593

25. EMPLOYMENT RETIREMENT PLAN

The First Nation has a defined contribution plan for its employees, where 5% of employees gross payroll is contributed to a defined contribution plan. Total band contributions for 2017 were \$49,706 - (2016 - \$57,141).

NADLEH WHUT'EN INDIAN BAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2017

26. 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 First Nation is exposed to interest rate risk. Interest rate risk is the risk that the First Nation 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 First Nation 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 effect interest rate risk. The First Nation does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management, the interest rate risk to the First Nation is low and not material.

27. 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 2017.

28. COMPARATIVE AMOUNTS

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